

MITTAL STEEL CO N.V.
Form F-4
March 23, 2006
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As filed with the Securities and Exchange Commission on March 23, 2006

Registration No. 333-[]

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM F-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

MITTAL STEEL COMPANY N.V.

(Exact name of registrant as specified in its charter)

The Netherlands
(State or other jurisdiction of
incorporation or organization)

3312
(Primary Standard Industrial
Classification Code Number)
Mittal Steel Company N.V.

Not Applicable
(I.R.S. Employer
Identification Number)

Hofplein 20
3032 AC Rotterdam
The Netherlands
+31 10 217 8800

(Address, including zip code, and telephone number, including area code, of

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Registrant's principal executive offices)

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(312) 899-3400

(Name, address, including zip code, and telephone number,

including area code, of agent of service)

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and all other conditions to the consummation of the transaction described herein have been satisfied or waived.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

CALCULATION OF REGISTRATION FEE

Proposed

	Amount to be	maximum offering	Proposed maximum	Amount of
Title of each class of securities to be registered	registered ⁽¹⁾	price per unit	aggregate offering price ⁽²⁾	registration fee ⁽³⁾

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Class A common shares,

par value 0.01 per share	90,283,158	N/A	\$	3,263,651,940	\$	349,210.76
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- (1) Calculated as the sum of (a) the product of (x) 92,131,919 (the estimated number of Arcelor shares held by U.S. holders as of the date hereof (including all of the Arcelor common shares underlying Arcelor's American Depositary Shares (ADSs))) and (y) 0.8 (the exchange ratio of 4 Mittal Steel shares to be exchanged for every 5 Arcelor shares in the primary offer), (b) the product of (x) 6,001,948 (the Arcelor shares underlying the estimated number of Arcelor convertible bonds (the Convertible Bonds) held by U.S. holders) and (y) 0.8 (the exchange ratio of 4 Mittal Steel shares to be exchanged for every 5 Convertible Bonds) and (c) an additional 11,776,064 Mittal Steel shares that may be sold in the United States following the Offer. The sum of (a) and (b) above represents the number of Mittal Steel shares issuable in the Offer for all Arcelor shares (including all of the Arcelor ordinary shares underlying Arcelor's ADSs) and all Convertible Bonds, in each case estimated to be held by U.S. persons upon consummation of the Offer. Mittal Steel shares are not being registered for purposes of sales outside of the United States.
- (2) Pursuant to Rule 457(c) and Rule 457(f), and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is equal to the sum of (a) the market value of the total number of Arcelor shares estimated to be held by U.S. holders as of the date hereof that may be exchanged for Mittal Steel shares and cash in the Offer upon consummation of the offer if all of such Arcelor shares are acquired in the Offer, based upon a market value of \$37.96 per share of Arcelor, the average of the high and low prices of the Arcelor shares reported on Euronext Paris on March 22, 2006, (b) the market value of the total number of Arcelor ADSs as of the date hereof that may be exchanged for Mittal Steel shares and cash in the Offer upon consummation of the Offer if all of such Arcelor ADSs are acquired in the Offer, based upon a market value of \$38.20 per Arcelor ADS, the average of the high and low prices of the Arcelor ADSs reported through the electronic price and volume reporting system operated by the National Association of Securities Dealers, Inc. for non-NASDAQ securities on March 22, 2006, (c) the market value of the number of Convertible Bonds estimated to be held by U.S. persons as of the date hereof that may be exchanged for Mittal Steel shares and cash in the Offer upon the consummation of the Offer if all of such Convertible Bonds are acquired in the Offer, based upon a market value of \$38.12 per Arcelor Convertible Bond, the closing price of the Convertible Bonds reported on the Luxembourg Stock Exchange on March 22, 2006, and (d) the market value of an additional 11,776,064 Mittal Steel shares that may be sold in the United States following the Offer, based on the average of the high and low prices of the Mittal Steel shares reported on the NYSE on March 22, 2006; less \$880,999,800, the estimated maximum aggregate amount of cash to be paid by Mittal Steel in the offer in exchange for Arcelor securities estimated to be held by U.S. holders.
- (3) Computed in accordance with Rule 457(f) under the Securities Act as the proposed maximum aggregate offering price of \$3,263,651,940 multiplied by .000107.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said section 8(a), may determine.

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The information contained herein is subject to completion or amendment. No securities may be sold until a registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful.

[Subject to Completion, dated [•], 2006]

EXCHANGE OFFER PROSPECTUS

Mittal Steel is offering to exchange:

4 Mittal Steel class A common shares and 35.25 in cash for every 5 Arcelor shares or Arcelor American Depositary Shares (ADS); and

4 Mittal Steel class A common shares and 40.00 in cash for every 5 Arcelor OCEANes (*obligations à option de conversion en actions nouvelles et/ou d'échange en actions existantes*) (the Convertible Bonds).

If you hold Arcelor shares or Arcelor ADSs, then, in addition to or instead of this mix of Mittal Steel class A common shares and cash, you may make the following elections with respect to the consideration you wish to receive:

You may elect to receive 28.21 in cash for each Arcelor share or Arcelor ADS that you tender; or

You may elect to receive 16 Mittal Steel class A common shares for every 15 Arcelor shares or Arcelor ADSs that you tender. The consideration set out above is subject to adjustment in specific circumstances as set out herein.

The primary offer and two secondary offers set out above are collectively referred to in this prospectus as the Offer, and the Arcelor shares, Convertible Bonds and Arcelor ADSs are collectively referred to as the Arcelor securities.

You are not required to make the same election for all of the Arcelor securities that you tender, and you may make any of these elections for all or some of the Arcelor securities that you tender. Tenders in the two secondary offers set out immediately above, however, are subject to a pro-rata and allocation procedure that will ensure that in the aggregate the portion of the tendered Arcelor shares that are exchanged for Mittal Steel shares (the Share Portion of the Offer) and the portion of the tendered Arcelor shares that are exchanged for cash (the Cash Portion of the Offer) (excluding the effect of the treatment of fractional shares that would otherwise be issued and the impact of any adjustment to the Offer consideration (as noted above and described herein)) will be 75% and 25%, respectively.

THIS OFFER WILL EXPIRE AT [], CONTINENTAL EUROPEAN TIME ON [], 2006, UNLESS IT IS EXTENDED OR UNLESS IT LAPSES OR IS WITHDRAWN PRIOR TO THAT TIME PURSUANT TO THE CONDITIONS DESCRIBED IN THIS PROSPECTUS.

This Offer is being made for all Arcelor shares (including Arcelor shares held in treasury) and Convertible Bonds issued and outstanding as of February 6, 2006, as well as for all Arcelor shares that are or may become issuable prior to the expiration of the Offer due to the conversion of outstanding Convertible Bonds or the exercise of options to subscribe to Arcelor shares granted prior to February 6, 2006. If any Arcelor securities are issued after February 6, 2006, Mittal Steel may either withdraw the Offer or extend the Offer to such new securities, possibly after amending its terms to reflect the effect of such issuance on the economics of the Offer. The completion of the Offer is subject to certain conditions. A detailed description of the terms and conditions of the Offer appears under The Offer Terms and Conditions of the Offer herein.

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Arcelor shares are listed on Euronext Brussels S.A./N.V.'s Eurolist by Euronext (Euronext Brussels), on Euronext Paris S.A.'s Eurolist by Euronext (Euronext Paris), on the Luxembourg Stock Exchange and on the stock exchanges of Madrid, Barcelona, Bilbao and Valencia (the Spanish Stock Exchanges). Convertible Bonds are listed on the Luxembourg Stock Exchange. Arcelor ADSs are traded on the over-the-counter market in the United States but are not traded on any securities exchange.

Mittal Steel's class A common shares are listed on Euronext Amsterdam N.V.'s Eurolist by Euronext (Euronext Amsterdam) and on the New York Stock Exchange (the NYSE) under the symbol MT . Mittal Steel will apply to list its class A common shares on these exchanges and on Euronext Brussels, Euronext Paris, the Luxembourg Stock Exchange and on the Spanish Stock Exchanges, subject to the successful completion of the Offer.

This prospectus contains detailed information concerning the Offer for Arcelor securities and the proposed combination of Mittal Steel and Arcelor. We recommend that you read this prospectus carefully.

FOR A DISCUSSION OF RISK FACTORS THAT YOU SHOULD CONSIDER IN EVALUATING THIS OFFER, SEE RISK FACTORS BEGINNING ON PAGE 26.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION (THE SEC) NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES TO BE ISSUED IN CONNECTION WITH THIS OFFER OR HAS PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

The dealer-managers solely for the offer in the United States are **Goldman, Sachs & Co., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, HSBC Securities (USA) Inc.** and **SG Americas Securities, LLC.**

The date of this prospectus is [_____], 2006

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PRESENTATION OF CERTAIN FINANCIAL AND OTHER INFORMATION

Company Names

Unless indicated otherwise, or the context otherwise requires, references in this prospectus to **Mittal Steel**, **we**, **us**, **our** and **the Company** or similar terms are to Mittal Steel Company N.V., formerly known as Ispat International N.V., and its subsidiaries (which include LNM Holdings N.V. and its subsidiaries and International Steel Group Inc. and its subsidiaries). **Ispat International** refers to Ispat International N.V. and its subsidiaries as they existed prior to the business combination with LNM Holdings on December 17, 2004 and to its predecessor companies for periods prior to the organization of Ispat International in 1997. **LNM Holdings** refers to LNM Holdings N.V. and its subsidiaries as they existed prior to their business combination with Ispat International on December 17, 2004 and to its predecessor companies for the periods prior to the organization of LNM Holdings. On December 20, 2004, LNM Holdings' name was changed to Mittal Steel Holdings N.V. On December 28, 2005, Mittal Steel Holdings N.V. was redomiciled to Switzerland and changed its name to Mittal Steel Holdings A.G.

To the extent that references in this prospectus to **Mittal Steel** are made with respect to time periods occurring before December 17, 2004, **Mittal Steel** means Ispat International and its subsidiaries and their predecessors adjusted after giving effect to the business combination with LNM Holdings and its subsidiaries and their predecessors. **ISG** refers to International Steel Group Inc. and its subsidiaries as it existed prior to its acquisition by Mittal Steel on April 15, 2005. Following the acquisition of ISG by Mittal Steel, ISG's name was changed to **Mittal Steel USA ISG Inc.**, the operations were merged with Ispat Inland on December 31, 2005, and the name of the surviving entity was changed to **Mittal Steel USA Inc.** All references in this prospectus to **Mittal Steel USA** refer to the combined operations of Mittal Steel USA ISG Inc. with Mittal Steel's other U.S. operating subsidiary, Ispat Inland Inc. All references in this prospectus to **Inland** refer to Ispat Inland Inc.

All references in this prospectus to **Mittal Steel Kryviy Rih** refer to the operations of Kryvorizhstal, Ukraine which was acquired by the Company on November 25, 2005 and subsequently renamed OJSC Mittal Steel Kryviy Rih, or Mittal Steel Kryviy Rih.

All references in this prospectus to **Hunan Valin** refer to Hunan Valin Steel Tube & Wire Company, China.

References to **Arcelor** refer to Arcelor S.A., having its registered office at 19 Avenue de la Liberté, L-2930 Luxembourg, Grand Duchy of Luxembourg, a *société anonyme* incorporated under Luxembourg law, and, where applicable, its consolidated subsidiaries.

Certain Defined Terms

Unless indicated otherwise, or the context otherwise requires, references in this prospectus to:

Articles of Association refers to the amended and restated articles of association of Mittal Steel Company N.V., dated June 21, 2005;

C\$ or Canadian dollars are to the lawful currency of Canada;

Controlling Shareholder refers to Mr. Lakshmi N. Mittal and his wife, Mrs. Usha Mittal, who together are Mittal Steel's controlling shareholder;

euro and **€** are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union of January 1, 1999 pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union;

net sales are to gross sales minus returns discounts, and allowances, less shipping and handling fees and costs;

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production capacity are to the annual production capacity of plant and equipment based on existing technical parameters as estimated by management;

sales include shipping and handling fees and costs as per EITF Issue No. 00-10 Accounting for Shipping and Handling Fees and Costs (as issued by the FASB Emerging Issues Task Force);

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steel products are to finished and semi-finished steel products and exclude direct reduced iron, or DRI;

tons or net tons or ST are to short tons and are used in measurements involving steel products, including liquid steel (a short ton is equal to 907.2 kilograms or 2000 pounds);

tonnes or MT are to metric tonnes and are used in measurements involving iron ore, iron ore pellets, DRI, hot metal, coke, coal, pig iron and scrap (a metric tonne is equal to 1,000 kilograms or 2,204.62 pounds); and

USD , US dollars or \$ are to the lawful currency of the United States.
All volume figures for shipments of our steel products include inter-company sales.

Financial Information

The financial information and certain other information presented in a number of tables in this prospectus has been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this prospectus reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Mittal Steel

All of the financial statements included in this prospectus for Mittal Steel have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP). The financial records of each of the operating subsidiaries are maintained in the currency of the country in which such subsidiary is located using the statutory or generally accepted accounting principles of such country. For consolidation purposes, financial statements have been prepared in conformity with U.S. GAAP and expressed in U.S. dollars, the reporting currency.

For purposes of its regulatory filings in Europe relating to its listing on Euronext Amsterdam, Mittal Steel also prepares, beginning with the fiscal year ended December 31, 2005, financial statements in accordance with International Financial Reporting Standards (IFRS). IFRS differs in certain significant respects from U.S. GAAP and therefore our financial statements prepared under IFRS are not comparable with our financial statements prepared under U.S. GAAP that are incorporated by reference herein. See Summary of Certain Differences between IFRS and U.S. GAAP.

Incorporated by reference in this prospectus are: (i) the audited consolidated financial statements of Mittal Steel Company N.V. and its consolidated subsidiaries (adjusted after giving effect to the business combination with LNM Holdings, which has been accounted for on the basis of common control accounting), including the consolidated balance sheets as of December 31, 2004 and 2005, and the consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the years ended December 31, 2003, 2004 and 2005; (ii) the audited consolidated financial statements of ISG and its consolidated subsidiaries as of and for the year ended December 31, 2004, and the unaudited condensed consolidated financial statements of ISG for the three months ended March 31, 2005; and (iii) the unaudited pro forma condensed combined statement of operations of Mittal Steel for the year ended December 31, 2005, adjusted after giving effect to the acquisition of ISG using the purchase method of accounting and presented as if the acquisition was completed on January 1, 2005. The ISG annual consolidated financial statements as of and for the year ended December 31, 2004 have not been audited by Mittal Steel's auditors.

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On December 17, 2004, Ispat International N.V. completed its acquisition of Mittal Steel Holdings N.V., formerly LNM Holdings N.V. On December 20, 2004, LNM Holdings name was changed to Mittal Steel Holdings N.V. On December 28, 2005, Mittal Steel Holdings N.V. was redomiciled to Switzerland and changed its name to Mittal Steel Holdings A.G. As Ispat International N.V. and LNM Holdings N.V. were affiliates under common control, the acquisition of LNM Holdings N.V. was accounted for on the basis of common control accounting, which is similar to a previously permitted method of accounting known as pooling-of-interests. Therefore, these consolidated financial statements reflect the financial position and results of operations of Mittal Steel from the accounts of Ispat International N.V. and LNM Holdings N.V. as though Mittal Steel had been a stand-alone legal entity during 2003 and 2004. These consolidated financial statements as of and for the years ended December 31, 2003 and 2004 have been prepared using the historical basis in the assets and liabilities and the historical results of operations relating to Ispat International N.V. and LNM Holdings N.V. based on the separate records maintained for each of these businesses. Inter-company balances and transactions have been eliminated on consolidation and the transaction costs relating to the business combination have not been included.

Arcelor

The annex to this prospectus includes the following financial information and documents published by Arcelor: (i) audited consolidated financial statements as of and for the years ended December 31, 2002, 2003 and 2004; (ii) unaudited consolidated interim financial statements as of and for the nine months ended September 30, 2004 and 2005; (iii) unaudited consolidated interim financial statements as of and for the six months ended June 30, 2005 and (iv) unaudited selected consolidated financial data as of and for the three months and year ended December 31, 2005, as set out in its press release of February 16, 2006 summarizing its results for the 2005 fiscal year.

The financial statements and data included in the Arcelor documents annexed to this prospectus were prepared in accordance with IFRS. IFRS differs in certain significant respects from U.S. GAAP. For a narrative discussion of certain relevant differences between IFRS and U.S. GAAP, see Summary of Certain Differences between IFRS and U.S. GAAP.

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Market Information

This prospectus includes industry data and projections about our markets obtained from industry surveys, market research, publicly available information and industry publications, including but not limited to, publications of the International Iron and Steel Institute. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. We have not independently verified these data or determined the reasonableness of such assumptions. In addition, in many cases we have made statements in this prospectus regarding our industry and our position in the industry based on internal surveys, industry forecasts, market research, as well as our own experience. While these statements are believed to be reliable, they have not been independently verified. No representation or warranty is made as to the accuracy or completeness of such information set forth in this prospectus.

Internet Sites

Each of Mittal Steel and Arcelor maintains an Internet site. The Mittal Steel Internet site is at the URL www.mittalsteel.com. The Arcelor Internet site is at URL www.arcelor.com. Information contained in or otherwise accessible through these Internet sites is not a part of this prospectus. All references in this prospectus to these Internet sites are inactive textual references to these URLs and are for your information only.

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WHERE YOU CAN FIND MORE INFORMATION

Mittal Steel files Annual Reports on Form 20-F with, and furnishes other information under cover of a Report on Form 6-K to, the SEC under the Securities Exchange Act of 1934, as amended (the Exchange Act). Prior to December 17, 2004, Mittal Steel filed with, or furnished to, the SEC documents under its former name Ispat International N.V. You may read and copy this information, or obtain copies of this information by mail, at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1 800 SEC 0330. The SEC maintains an Internet website that contains reports and other information about issuers, like Mittal Steel, who file electronically with the SEC. The address of that site is <http://www.sec.gov>.

As a foreign private issuer, Mittal Steel is exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements and will not be required to file proxy statements with the SEC. Mittal Steel's officers, directors and principal shareholders are also exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

Arcelor is on the list most recently published by the SEC of companies that furnish information to it pursuant to Rule 12g3-2(b) promulgated under the Exchange Act. To benefit from the exemption provided by this Rule from the registration requirements of the U.S. Securities Act of 1933, as amended (the Securities Act), an issuer must furnish to the SEC all material information made public, filed with the stock exchanges on which its securities are listed or sent to securityholders promptly after such information has become available. To the extent Arcelor currently furnishes to the SEC any such information, you may read and copy it by visiting the SEC's Public Reference Room.

Mittal Steel has filed a registration statement on Form F-4 to register with the SEC the Mittal Steel class A ordinary shares that holders of Arcelor securities will receive in the Offer in exchange for their Arcelor securities. As permitted by SEC rules, this prospectus does not contain all of the information included in the registration statement, some parts of which are omitted in accordance with the rules and regulations of the SEC. For further information, you should refer to this registration statement.

Mittal Steel's class A ordinary shares are listed on the NYSE and Euronext Amsterdam, and Arcelor's shares are listed on Euronext Brussels, Euronext Paris, the Luxembourg Stock Exchange and the Spanish Stock Exchanges. Each exchange has its own requirements for the provision of periodic reports, proxy statements and other information. You are free to inspect any such information by contacting the relevant stock exchange, including, for Mittal Steel, at the offices of the NYSE, 20 Broad Street, New York, New York, 10005.

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INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows Mittal Steel to incorporate by reference information into this prospectus, which means that Mittal Steel can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except for any information superseded by information contained directly in this prospectus, any prospectus supplement or subsequent filings deemed incorporated by reference into this prospectus.

Because Arcelor does not file, but furnishes, information to the SEC, no information regarding Arcelor is permitted to be incorporated by reference herein.

This prospectus incorporates by reference the documents set forth below that Mittal Steel has previously filed with the SEC. These documents contain important information about Mittal Steel and its results of operations and financial condition:

Exhibit 99.1 of Mittal Steel's Current Report on Form 6-K, dated September 30, 2005, relating to International Steel Group Inc.'s audited consolidated financial statements as of and for the fiscal year ended December 31, 2004;

Part I, Item 1 of Mittal Steel USA ISG Inc.'s Quarterly Report on Form 10-Q, dated May 16, 2005, containing the unaudited condensed consolidated financial statements of Mittal Steel USA ISG Inc. (formerly known as International Steel Group Inc.) for the three months ended March 31, 2005;

Mittal Steel's Current Report on Form 6-K, dated January 23, 2006, announcing a change to Mittal Steel Company N.V.'s shareholding in Hunan Valin Steel Tube & Wire Company Limited;

Mittal Steel's Current Report on Form 6-K, dated February 2, 2006, announcing its acquisition of three Stelco Inc. subsidiaries;

Mittal Steel's Annual Report on Form 20-F, dated March 20, 2006, for the fiscal year ended December 31, 2005; and

Mittal Steel's Current Report on Form 6-K, dated March 23, 2006, containing the unaudited pro forma condensed combined financial statements for Mittal Steel Company N.V. and International Steel Group Inc. as of and for the year ended December 31, 2005.

Mittal Steel also incorporates by reference into this prospectus additional documents that it may file with or furnish to the SEC. These include reports such as annual reports on Form 20-F and any reports on Form 6-K designated as being incorporated by reference into this prospectus. Any statement made in this prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in any prospectus supplement or any other subsequently filed document that is also incorporated or deemed to be incorporated by reference into this prospectus modifies or supersedes the original statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

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You may request a copy of these filings, at no cost, by writing or telephoning Mittal Steel at:

Mittal Steel Company N.V.

Hofplein 20

3032 AC Rotterdam

The Netherlands

+31 10 217 8800

Attention: Investor Relations

Exhibits to the filings will not be sent unless those exhibits have specifically been incorporated by reference into this prospectus. Except as provided above, no other information, including information on Mittal Steel's website, is incorporated by reference into this prospectus.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE INTO THIS PROSPECTUS TO DECIDE WHETHER TO PARTICIPATE IN THE OFFER. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT FROM THAT WHICH IS CONTAINED IN, OR INCORPORATED BY REFERENCE INTO, THIS PROSPECTUS. THIS PROSPECTUS IS DATED AS OF THE DATE PRINTED ON THE FRONT COVER. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN, OR INCORPORATED BY REFERENCE INTO, THIS PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THAT DATE, AND NEITHER THE MAILING OF THIS PROSPECTUS TO SECURITYHOLDERS NOR THE ISSUANCE OF MITTAL STEEL CLASS A COMMON SHARES IN THE OFFER SHALL CREATE ANY IMPLICATIONS TO THE CONTRARY.

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NOTE ON ARCELOR INFORMATION

Mittal Steel has included in or annexed to this prospectus information concerning Arcelor insofar as it is known or reasonably available to Mittal Steel. However, Arcelor is not affiliated with Mittal Steel and has not permitted Mittal Steel access to its books and records or any other non-public information about it. Therefore, information concerning Arcelor that has not been made public is not available to Mittal Steel. Although Mittal Steel has no knowledge that would indicate that statements relating to Arcelor contained in this prospectus in reliance on publicly available information are inaccurate or incomplete, Mittal Steel was not involved in the preparation of such information or statements and, for the foregoing reasons, is not in a position to verify any such information or statements. See Risk Factors Mittal Steel has not been given the opportunity to conduct a due diligence review of the non-public records of Arcelor. Therefore, Mittal Steel may be subject to unknown liabilities of Arcelor that may have a material adverse effect on Mittal Steel's profitability and results of operations and Risk Factors Mittal Steel has not verified the reliability of the Arcelor information included in this prospectus.

On February 14, 2006, pursuant to Rule 409 promulgated under the Securities Act, Mittal Steel requested that Arcelor and its independent accountants provide to Mittal Steel all material information with respect to Arcelor required to be included in this prospectus or required to make statements made herein not misleading. On such date, Mittal Steel also requested that Arcelor's independent public accountants consent in a customary manner to the inclusion of their audit reports with respect to the financial statements of Arcelor included in this prospectus. Mittal Steel has not received a substantive response to date.

Mittal Steel will provide any and all information that it receives from Arcelor or its independent accountants prior to the expiration of the Offer that Mittal Steel deems material, reliable and appropriate in a subsequently prepared amendment or supplement hereto.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference herein contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, based on estimates and assumptions. Forward-looking statements include, among other things, statements concerning the financial condition, the results of operations and the business of Mittal Steel including its acquired subsidiaries, the anticipated financial and other benefits resulting from Mittal Steel's acquisitions and the proposed acquisition of Arcelor, and Mittal Steel's plans and objectives following these transactions. These statements usually contain the words believes, plans, expects, anticipates, intends, estimates, or other similar expressions. For each of these statements, you should be aware that forward-looking statements involve known and unknown risks and uncertainties. Although it is believed that the expectations reflected in these forward-looking statements are reasonable, there is no assurance that the actual results or developments anticipated will be realized or, even if realized, that they will have the expected effects on the business, financial condition, results of operations or prospects of Mittal Steel. These forward-looking statements speak only as of the date on which the statements were made and no obligation has been undertaken to update publicly or revise any forward-looking statements made in this registration statement or elsewhere as a result of new information, future events or otherwise, except as required by applicable laws and regulations. In addition to other factors and matters contained or incorporated by reference in this prospectus, it is believed the following factors, among others, could cause actual results to differ materially from those discussed in the forward-looking statements:

Mittal Steel's ability to obtain regulatory approvals for the proposed acquisition of Arcelor without materially onerous conditions;

costs or difficulties related to the integration of acquisitions, including the proposed acquisition of Arcelor, may be greater than expected;

the risk of unexpected consequences resulting from acquisitions, including the proposed acquisition of Arcelor;

operating results following acquisitions, including the proposed acquisition of Arcelor, may be lower than expected;

any change-of-control provisions in Arcelor's agreements which might be triggered by the transaction;

Mittal Steel's and Arcelor's ability to manage its growth;

uncertainty as to the actions of the Controlling Shareholder of Mittal Steel;

the timing of realization of cost savings expected to result from Mittal Steel's acquisitions, including the proposed acquisition of Arcelor;

the risk of decreasing prices for Mittal Steel's and Arcelor's products and other forms of competition in the steel industry;

the risk of labor disputes, including as a result of the proposed acquisition of Arcelor;

the risk of significant supply shortages and increases in the cost of raw materials, energy and transportation;

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any downgrade of Mittal Steel's credit rating as a result, among other things, of a downturn in the steel industry cycle, the debt to be incurred in connection with the proposed acquisition of Arcelor or any possible refinancing of Arcelor debt thereafter, as well as any downgrade of Arcelor's credit rating if it remains a separate subsidiary of Mittal Steel following the successful completion of the Offer;

Mittal Steel's ability to operate within the limitations imposed by financing arrangements;

Mittal Steel's and Arcelor's ability to attract and retain talented management;

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Mittal Steel's ability to fund under-funded pension liabilities;

general economic conditions, whether globally, nationally or in the market areas in which Mittal Steel and Arcelor conduct business;

the risk of disruption or volatility in the economic, political or social environment in the countries in which Mittal Steel and Arcelor conduct business;

Mittal Steel's and Arcelor's ability to operate successfully within a cyclical industry;

increased competition from substitute materials, such as aluminum;

fluctuations in currency exchange and interest rates;

legislative or regulatory changes, including those relating to protection of the environment and health and safety, and those resulting from international agreements and treaties related to trade, accession to the European Union, or otherwise, may adversely affect the businesses in which Mittal Steel and Arcelor are engaged; and

the threat, institution or adverse determination of claims against Mittal Steel and Arcelor.

Some of these factors are discussed in more detail in this prospectus, including under the section "Risk Factors."

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SUMMARY

This summary highlights selected information from this prospectus. It does not contain all of the information that is important to evaluate the Offer. You should read carefully the entire prospectus and the additional documents referred to in this prospectus to fully understand the Offer.

The Companies

Mittal Steel

Mittal Steel is the world's largest and most global steel producer with an annual production capacity of approximately 75 million tonnes. The Company is the largest steel producer in the Americas and Africa and the second largest in Europe. The Company has steel-making operations in 15 countries on four continents, including 31 integrated, mini-mill and integrated mini-mill steel-making facilities. At year-end 2005, we had approximately 224,000 employees.

Mittal Steel produces a broad range of high-quality finished and semi-finished carbon steel products, encompassing the main categories of steel products (flat products, long products and pipes and tubes). Specifically, the Company produces hot-rolled and cold-rolled sheets, plates, electrogalvanized and coated steel, bars, wire rods, wire products, pipes, billets, blooms, slabs, tinplate, structural sections and rails. Mittal Steel sells these products in local markets and through our centralized marketing organization to customers in over 150 countries. The Company's products are used in a diverse range of end-markets, including the automotive, appliance, engineering, construction and machinery industries.

Our steel-making operations have a high degree of geographic diversification. Almost 41% of our steel is produced in the Americas, with the balance being produced in Europe (38%) and in other countries, such as Kazakhstan, Algeria and South Africa (21%). We are further increasing our geographic production diversification. In September 2005, we completed the acquisition of a significant stake in Hunan Valin, an 8.5 million ton steel producer in China. In October 2005, we signed a memorandum of understanding to construct a 12 million tonne steel-making operation in Jharkhand, India. In November 2005, we completed the acquisition of a 93% stake in Kryvorizhstal (since renamed Mittal Steel Kryviy Rih), the largest carbon steel long products producer in Ukraine.

We shipped approximately 27.4 million, 42.1 million and 49.2 million tons of steel in 2003, 2004 and 2005, respectively. Our shipments are well-balanced geographically and are also balanced as between developed and developing markets, which have different characteristics.

We have access to high-quality and low-cost raw materials through our captive sources and long-term contracts. In 2005, on a pro forma basis after giving effect to the acquisition of ISG, approximately 56% of our iron ore requirements (of which we are one of the world's largest producers) and approximately 42% of our coal requirements were supplied from our own mines or from long-term contracts at many of our operating units. We are actively developing our raw material self-sufficiency, including through recent initiatives to gain access to iron ore deposits in Liberia and Senegal, and expanding Mittal Steel's existing iron ore sources in various parts of the world, including Ukraine. We are one of the world's largest producers of coke, a critical raw material derived from coal, and we satisfy approximately 81% of our own coke requirements. We are the world's largest producer of direct reduced iron, or DRI, which is a scrap substitute used in the mini-mill steel-making process, with total production capacity of approximately 11 million tonnes. Our DRI production satisfies all of our mini-mill input requirements. Our facilities have good access to shipping facilities, including deep-water port facilities and railway sidings.

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In 2004, we generated sales of \$22.2 billion, operating income of \$6.1 billion and net income of \$4.7 billion. In 2005, we generated sales of \$28.1 billion, operating income of \$4.7 billion and net income of \$3.4 billion. At December 31, 2005, we had shareholders' equity of \$10.2 billion, total debt of \$8.3 billion, and cash and cash equivalents, including short-term investments and restricted cash, of \$2.1 billion.

Mittal Steel is a successor to a business founded in 1989 by Mr. Lakshmi N. Mittal, our Chairman and Chief Executive Officer. We have experienced rapid and steady growth since then largely through the consistent and disciplined execution of a successful consolidation-based strategy. We made our first acquisition in 1989, leasing the Iron & Steel Company of Trinidad & Tobago. Some of the principal acquisitions since then include Karmet (Kazakhstan) in 1995, Thyssen Duisburg (Germany) in 1997, Inland Steel (USA) in 1998, Unimétal (France) in 1999, Sidex (Romania) and Annaba (Algeria) in 2001, Nova Hut (Czech Republic) in 2003, BH Steel (Bosnia), Balkan Steel (Macedonia), PHS (Poland) and Iscor (South Africa) in 2004 and ISG (USA), Hunan Valin (China) and Kryvorizhstal (Ukraine) in 2005.

We have proven expertise in acquiring companies and turning around under-performing assets. We believe that we have successfully integrated our previous key acquisitions by implementing a best practice approach in operations and management to enhance profitability. Specifically, our focused capital expenditure programs and implementation of improved management practices at the acquired facilities have resulted in overall increases in production and shipment of steel products, reductions in cash costs of production and increases in productivity. Mittal Steel's aggregate capital expenditures were approximately \$421 million, \$898 million and \$1,181 million in the years ended December 31, 2003, 2004 and 2005, respectively.

Arcelor

Arcelor was created in February 2002 by the combination of three steel-making companies, Aceralia Corporacion Siderurgica, Arbed and Usinor. The Arcelor group operates in four market sectors: Flat Carbon Steels, Long Carbon Steels, Stainless Steels and Arcelor Steel Solutions and Services (A3S, formerly Distribution, Transformation and Trading). Arcelor is the number two steel producer in the world, with production of 47 million and 46 million tonnes of steel in 2004 and 2005, respectively. It generated revenues of \$30.2 billion in 2004 and \$32.6 billion in 2005. For the same periods, its net result (group share) was \$2.3 billion and \$4.3 billion, respectively.

In 2004, 30% of its production was obtained from scrap used in electric arc furnaces and 70% from iron ore. The Arcelor group is a leading operator in all its key end markets: the automotive industry, construction, household appliances, packaging and general industry. Arcelor is the market leader in Western Europe; 71% of its sales in 2005 were in the European Union. Arcelor also has a strong position in South America; 11% of its sales in 2005 were in South America.

Arcelor is a leading producer of flat carbon steels, in terms both of volume and value, having shipped approximately 28.5 million tonnes in 2004 and 28.1 million tonnes in 2005. This sector employed approximately 46,000 people at year-end 2005, and generated revenues of approximately \$16.1 billion in 2004 and \$18.1 billion in 2005. Its product portfolio covers the full range of thin flat steels, including hot-rolled coil, cold-rolled coil and coated sheet. These products are used in the automotive, household appliance, packaging, construction, civil engineering, mechanical engineering and processing industries.

Arcelor is one of the world's leading producers of long carbon steels, having shipped approximately 13.4 million tonnes in 2004 and 12.3 million tonnes in 2005. This sector employed over 20,000 people at year-end 2005 and reported revenues of approximately \$6.2 billion in 2004 and \$6.6 billion in 2005, from sales of products in the following three categories:

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commodity products (rolled products): lightweight and medium-weight beams, merchant steel and concrete reinforcing bar;

specialty products (rolled products): sheet pile, heavy beams, special sections and rails; and

wiredrawn products: steelcord, low carbon steels and high carbon steels.

Arcelor is a leading global producer of stainless steels, in both volume and revenues, having shipped 2.1 million tonnes in 2004 and 1.6 million tonnes in 2005. This sector employed over 13,500 people at year-end 2005 and generated revenues of approximately 4.6 billion in 2004 and 4 billion in 2005. Arcelor produces virtually the entire range of stainless steels and stainless steel alloy products.

The A3S sector uses steels produced by the Arcelor group, and also purchases steels from third parties. This sector is organized into five operating units that work in specialist but complementary markets. It employed over 11,000 people at year-end 2005 and generated revenues of approximately 8.3 billion in 2004 and 8.7 billion in 2005, corresponding to 14.9 million and 13.7 million tonnes of shipped steel, respectively, 70% and 81% of which came from the other sectors of the Arcelor group, respectively.

Background to and Reasons for the Offer

Mittal Steel is making the Offer to unite the world's two largest steel companies and to offer all shareholders the opportunity to participate in the combined entity's future growth. The combined company would have unrivalled geographic scope, including leadership positions in five of the nine major world markets (South America, NAFTA, Western Europe, Central and Eastern Europe and Africa), and would be the first steel company to produce over 100 million tons of steel annually. Operational cost synergies, primarily in the areas of purchasing, marketing and trading and manufacturing process optimization, generated by the combination are expected to reach \$1 billion, before tax, by the end of 2009. The steel industry remains relatively fragmented and the transaction represents a step change in its consolidation. The combined entity will offer a strengthened range of products and solutions for global customers, while maximizing opportunities with a global distribution and trading network. It will benefit from increased efficiency in the combined asset base through investment and operational excellence, with input costs being controlled through the substantial vertical integration of mining and steel making.

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Terms of the Offer

Consideration

We are offering, as a primary offer, to exchange:

4 Mittal Steel class A common shares and 35.25 in cash for every 5 Arcelor shares and Arcelor ADSs; and

4 Mittal Steel class A common shares and 40.00 in cash for every 5 Convertible Bonds.

If you hold Arcelor shares or Arcelor ADSs, then, in addition or instead of this mix of Mittal Steel class A common shares and cash, you may elect to tender your shares or ADSs into the following secondary offers:

You may elect to receive 28.21 in cash for each Arcelor share or Arcelor ADS that you tender; or

You may elect to receive 16 Mittal Steel class A common shares for every 15 Arcelor shares or Arcelor ADSs that you tender.

The consideration set out above in the primary and secondary offers is subject to adjustment if Arcelor makes specified distributions in respect of its share capital, acquires its shares or issues new voting securities or securities conferring the right to subscribe for, acquire or convert into voting securities, as set out in detail herein.

You are not required to make the same election for all of the Arcelor securities that you tender, and you may make any of these elections for all or some of the Arcelor securities that you tender. Tenders in the two secondary offers set out above, however, are subject to a pro-ration and allocation procedure that will ensure that in the aggregate the portion of the tendered Arcelor shares that are exchanged for Mittal Steel shares (the *Share Portion of the Offer*) and the portion of the tendered Arcelor shares that are exchanged for cash (the *Cash Portion of the Offer*) (excluding the effect of the treatment of fractional shares that would otherwise be issued and the impact of any adjustment to the offer consideration (as noted above and described herein)) will be 75% and 25%, respectively, subject to adjustment if the consideration is adjusted as described above.

See *The Offer Terms and Conditions of the Offer*.

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Conditions Precedent The Offer is subject to the following conditions precedent:

Arcelor securities representing more than 50% of the total share capital and voting rights of Arcelor, on a fully diluted basis, are tendered in the Offer;

No exceptional event beyond the control of Mittal Steel occurs relating to Arcelor (other than any decision or action taken by competent competition authorities in relation to the currently proposed combination of Mittal Steel and Arcelor) and Arcelor does not take any action that, in either case, materially alters Arcelor's substance, substantially and adversely affects the economics of the Offer or substantially and adversely affects the ability of Mittal Steel to complete the Offer; and

Any new voting securities or any new securities conferring the right to subscribe for, acquire or convert into voting securities (other than securities specifically covered by the Offer as set out herein), such securities being referred to herein as "New Securities", issued by Arcelor between February 6, 2006 and the settlement date of the Offer shall have been issued pursuant to specific authorization by Arcelor shareholders granted after February 6, 2006.

The conditions are for the benefit of Mittal Steel and Mittal Steel reserves the right to maintain the Offer even if one or more of them is not satisfied. Without prejudice to the generality of the foregoing, Mittal Steel specifically reserves the right to waive the first condition summarized above at any time until the announcement of the results of the Offer.

See "The Offer - Terms and Conditions of the Offer" and "The Offer - Conditions Precedent to the Offer."

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Grounds for Withdrawing the Offer

Mittal Steel may withdraw the Offer if any of the conditions summarized under *Conditions Precedent* above is not satisfied, subject, in the case of the second condition precedent cited therein, to the prior consent of the applicable supervisory authorities. In addition, in the event that New Securities are issued after February 6, 2006 pursuant to specific authorization of Arcelor shareholders granted after such date, Mittal Steel may withdraw the Offer subject to the prior consent of the applicable supervisory authorities. As an alternative to withdrawal of the Offer in the event of the issuance of New Securities after February 6, 2006, irrespective of whether such issuance is pursuant to specific Arcelor shareholder authorization granted after such date, Mittal Steel may extend the Offer to such New Securities, possibly after amending its terms to reflect the changed economics of the Offer resulting from the issuance of the New Securities.

Mittal Steel may also withdraw the Offer within five trading days following the publication of an offer document relating to a competing or higher offer.

See *The Offer* *Terms and Conditions of the Offer* *Grounds for Withdrawing the Offer*.

Offer Timing

The Offer will begin on [__], 2006 and end at [__], Continental European time, on [__], 2006, unless it is extended or it lapses or is withdrawn prior to that time on the basis of the conditions of the Offer as described in this prospectus. You must tender your Arcelor securities before the expiration of the Offer to participate.

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***Expiration Date;
Subsequent Offering
Period***

The acceptance period for the Offer will close on the later of

the 3⁵ Business Day following the opening of the acceptance period, *i.e.*, on [___], 2006; and

at midnight (continental European time) on the fifth Business Day following the date on which all regulatory clearances required for Mittal Steel to be allowed to take title to the Arcelor shares have been obtained or relevant waiting periods have expired.

Mittal Steel may elect to extend the Offer in a subsequent offering period of at least ten Business Days if Mittal Steel acquires, on a combined basis, at least two-thirds of Arcelor's total share capital and voting rights, or more than 50% if there is a concurrent competing offer for the Arcelor securities.

In the event that Mittal Steel acquires 90% of Arcelor's shares, Mittal Steel will reopen the Offer for a subsequent offering period of at least 15 Business Days.

If Mittal Steel were to improve the terms of the Offer in an increased bid, Arcelor securityholders who had previously tendered their securities in the Offer would automatically benefit from such increase.

See The Offer Terms and Conditions of the Offer Expiration Date; Subsequent Offering Period.

***Procedures for
Tendering Arcelor
Securities***

The procedure for tendering Arcelor securities varies depending on a number of factors, including (i) whether you hold Arcelor shares, Convertible Bonds or Arcelor ADSs, (ii) whether you possess physical certificates or a financial intermediary holds physical certificates for you, and (iii) whether you hold your Arcelor securities through a U.S. custodian or directly through a financial intermediary located in France, Belgium, Luxembourg, Spain or elsewhere. You should read carefully the detailed summary of procedures for tendering the different types of Arcelor securities set forth in The Offer Procedures for Tendering Arcelor Securities.

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Withdrawal Rights

Holders of Arcelor shares and Convertible Bonds may withdraw tendered securities at any time during the acceptance period for the Offer. Moreover:

if the consideration for the Offer is adjusted as described in The Offer Terms and Conditions of the Offer Offer Scope and Consideration Securities Covered by the Offer ;

if Arcelor issues New Securities and Mittal Steel extends the Offer to such New Securities after amending the terms of the Offer; and/or

upon commencement of a competing bid for Arcelor securities;

the acceptance period for the Offer will be extended by ten days, in particular to afford holders of Arcelor securities an opportunity to withdraw previously tendered securities.

See The Offer Terms and Conditions of the Offer Withdrawal Rights.

Delivery of Mittal Steel Shares and Cash

The Global Centralizing Agent will deliver New Mittal Steel Shares and cash to tendering holders of Arcelor securities promptly following the publication of the final results of the Offer. See The Offer Delivery of New Mittal Steel Shares and Cash.

Regulatory Approvals

Antitrust notifications have been made or will be made in the European Union pursuant to Council Regulation (EC) 139/2004, in the United States pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and in other jurisdictions around the world.

See Regulatory Matters.

Listing of Mittal Steel Class A Common Shares

Mittal Steel class A common shares are currently listed on the NYSE and Euronext Amsterdam. Mittal Steel will apply to list its shares issued pursuant to the Offer on these exchanges, as well as on Euronext Brussels, Euronext Paris, the Luxembourg Stock Exchange and the Spanish Stock Exchanges. See The Offer Listing of Mittal Steel Shares.

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<i>Compulsory Acquisition</i>	To the extent permitted under applicable laws and stock exchange regulations, Mittal Steel may petition to cause the delisting of the Arcelor securities from all stock exchanges. Should any of Arcelor's shares remain outstanding after completion of the Offer, Mittal Steel will consider possible options to attain ownership of all of Arcelor's share capital, including through any available compulsory buy-out procedure, merger or other corporate reorganization. See <i>The Offer</i> <i>Compulsory Acquisition</i> .
<i>Comparison Of The Rights Of Arcelor Shareholders And Mittal Steel Shareholders</i>	Depending on the consideration you elect and the results of the proration and allocation procedures, you may receive Mittal Steel class A common shares if you tender your Arcelor shares, Convertible Bonds or Arcelor ADSs. There are numerous differences between the rights of a shareholder in Arcelor, a Luxembourg <i>société anonyme</i> , and the rights of a shareholder in Mittal Steel, a Dutch <i>naamloze vennootschap</i> . Please review the discussion under <i>Comparison of Rights of Shareholders Under Luxembourg and Dutch Law</i> for a summary of these differences.
<i>Interests of Directors and Executive Officers of Mittal Steel and Arcelor; Post-Offer Shareholding</i>	No Mittal Steel director or executive officer owns any Arcelor securities. Mittal Steel's Controlling Shareholder holds a number of the issued and outstanding Mittal Steel class A common shares and 100% of the issued and outstanding Mittal Steel class B common shares, together representing approximately 98% of the combined voting interest in Mittal Steel. Following the Offer, the Controlling Shareholder will retain the absolute majority of voting rights in Mittal Steel and remain in control of the company.
<i>Material U.S. Federal and Dutch Income Tax Consequences of the Exchange</i>	The sale of Arcelor Securities for cash and the exchange of Arcelor Securities for Mittal Steel shares will constitute a taxable disposition under U.S. federal income tax law. See <i>Taxation</i> <i>United States Taxation</i> . Dividends distributed by Mittal Steel generally will be subject to Dutch withholding tax. See <i>Taxation</i> <i>Dutch Taxation</i> <i>Withholding Tax</i> .
<i>The Exchange Agent</i>	The Bank of New York has been appointed exchange agent in connection with the Offer. The letter of transmittal (or facsimile copies thereof) and certificates for Arcelor ADSs should be sent by each tendering Arcelor securityholder or his or her broker, dealer, bank or other nominee to the exchange agent at the address set forth on the back cover of this prospectus.

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Requests for Assistance If you have questions or want copies of additional documents, you may contact:

The information agent:

D.F. King & Co., Inc.

77 Water Street

New York, New York 10005

1 800 714 3312

or the dealer-managers (solely for the Offer in the United States):

Goldman, Sachs & Co.

1 New York Plaza, 48th Floor

New York, New York 10004

1 800 323 5678;

Citigroup Global Markets Inc.

388 Greenwich Street

New York, New York 10013

1 800 754 1370;

Credit Suisse Securities (USA) LLC

Eleven Madison Avenue

New York, New York 10010

1 800 881 8320;

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HSBC Securities (USA) Inc.

452 Fifth Avenue

New York, New York 10018

1 800 975 4722; and

SG Americas Securities, LLC

1221 Avenue of the Americas

New York, New York 10020

1 212 278 5595

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The following table presents selected audited consolidated historical financial information for Mittal Steel for the years ended December 31, 2001, 2002, 2003, 2004 and 2005. This selected consolidated financial information should be read in conjunction with the audited consolidated financial statements of Mittal Steel for the years ended December 31, 2003, 2004 and 2005, including the notes thereto, incorporated by reference herein.

	Year Ended December 31,				
	2001	2002	2003	2004	2005
Statement of Income Data					
Sales	\$ 5,423	\$ 7,080	\$ 9,567	\$ 22,197	\$ 28,132
Cost of sales (exclusive of depreciation)	4,952	5,752	7,568	14,694	21,495
Depreciation	229	266	331	553	829
Selling, general and administrative expenses	204	298	369	804	1,062
Other operating expenses	75	62			
Operating income / (loss)	(37)	702	1,299	6,146	4,746
Operating margin as percentage of Sales	(0.7)%	9.9%	13.6%	27.7%	16.9%
Other income (expense) net	20	32	70	128	77
Income from equity investments		111	162	66	69
Financing costs:					
Net interest expense	(235)	(222)	(175)	(187)	(229)
Net gain / (loss) from foreign exchange	(18)	15	44	(20)	40
Income / (loss) before taxes, minority interest and cumulative effect of change in accounting principle	(270)	638	1,400	6,133	4,703
Net income / (loss)	(199)	595	1,182	4,701	3,365
Basic earnings / (loss) per common share after cumulative effect of change in accounting principle ⁽¹⁾	\$ (0.31)	\$ 0.92	\$ 1.83	\$ 7.31	\$ 4.90
Diluted earnings / (loss) per common share after cumulative effect of change in accounting principle ⁽¹⁾	\$ (0.31)	\$ 0.92	\$ 1.83	\$ 7.31	\$ 4.89
Dividends declared per share ⁽²⁾					\$ 0.30

	At December 31,				
	2001	2002	2003	2004	2005
Balance Sheet Data					
Cash and cash equivalents, including short-term investments and restricted cash	\$ 225	\$ 417	\$ 900	\$ 2,634	\$ 2,149
Property, plant and equipment net	4,138	4,094	4,654	7,562	15,539
Total assets	7,161	7,909	10,137	19,153	31,042
Payable to banks and current portion of long-term debt	470	546	780	341	334
Long-term debt (including affiliates)	2,262	2,187	2,287	1,639	7,974
Net Assets	1,106	1,442	2,561	5,846	10,150
Share capital ⁽³⁾	539	541	533	488	2,405
Weighted average common shares outstanding (millions)	646	648	647	643	687

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	Year Ended December 31,				
	2001	2002	2003	2004	2005
	(All amounts in \$ millions except quantity information)				
Other Data:					
Net cash provided by operating activities	\$ 237	\$ 539	\$ 1,438	\$ 4,611	\$ 3,974
Net cash (used in) investing activities	(214)	(360)	(814)	(801)	(7,612)
Net cash (used in) provided by financing activities	(92)	16	(282)	(2,329)	3,349
Total production of DRI (thousands of tonnes)	4,918	5,893	7,202	9,664	8,321
Total shipments of steel products (thousands of tons) ⁽⁴⁾	18,634	24,547	27,446	42,071	49,178

- (1) Earnings per common share are computed by dividing net income by the weighted average number of common shares outstanding during the periods presented considering retroactively the shares issued by Mittal Steel in connection with the acquisition of LNM Holdings.
- (2) This does not include the dividends declared by LNM Holdings to its shareholder prior to its acquisition by Ispat International.
- (3) Comprised of common shares and additional paid-in capital less treasury stock.
- (4) Includes all inter-company shipments.

Table of Contents**SELECTED HISTORICAL FINANCIAL INFORMATION FOR ARCELOR**

The following table presents selected historical consolidated financial information of Arcelor for the years ended December 31, 2002, 2003, 2004, as set forth in Arcelor's 2004 Annual Report, and selected unaudited historical consolidated financial information the year ended December 31, 2005, as set forth in the press release and slide presentation announcing Arcelor's 2005 year-end results, issued on February 16, 2006, each as posted on Arcelor's web site. This selected consolidated financial information should be read in conjunction with the respective audited consolidated financial statements of Arcelor for the years ended December 31, 2002, 2003 and 2004, including the notes thereto, annexed to this prospectus. The financial statements as of and for the year ended December 31, 2004 were accompanied by an audit report dated March 18, 2005, issued by Arcelor's independent accountants, who have not yet consented to the use of their report in this prospectus and may not consent to such use. See Note on Arcelor Information and Risk Factors Risks Relating to the Offer. Mittal Steel has not verified the reliability of the Arcelor information included in this prospectus.

Mittal Steel prepares its financial statements under U.S. GAAP. Arcelor prepares its financial statements under IFRS, which differs in certain significant respects from U.S. GAAP. These differences, as they relate to Arcelor, cannot be quantified due to the limited disclosure provided in the publicly available financial information of Arcelor and may be significant. For a narrative discussion of certain relevant differences between IFRS and U.S. GAAP, see Summary of Certain Differences between IFRS and U.S. GAAP.

	As at and for the Year Ended December 31, 2005			
	2002	2003	2004	(unaudited)
	(All amounts in millions, except per share data)			
Income statement data				
<i>Amounts in accordance with IFRS</i>				
Revenue	24,533	25,923	30,176	32,611
Operating result	680	738	3,194	4,376
Net financing costs	(434)	(321)	(367)	(254)
Share of results in companies accounted for using the equity method	102	140	413	317
Result before tax	348	557	3,240	4,439
Taxation	(488)	(141)	(523)	(161)
Result after tax	(140)	416	2,717	4,278
Minority interests	(46)	(159)	(403)	(432)
Net result Group share	(186)	257	2,314	3,846
Basic earnings per share	(0.38)	0.54	4.26 ⁽²⁾	6.26 ⁽³⁾
Diluted earnings per share	(0.38)	0.54	3.83	5.90
Balance sheet data (at period end)				
<i>Amounts in accordance with IFRS</i>				
Total shareholders' equity	6,732	6,733	10,902	15,109
Minority interests	661	730	1,415	2,524
Total assets	25,836	24,608	31,222	35,916
Total non-current assets	12,853	12,590	15,249	18,196
Total non-current liabilities	8,178	8,757	8,518	8,279
Cash Flow Data				
<i>Amounts in accordance with IFRS</i>				
Cash flows from operating activities	1,946 ⁽¹⁾	2,502 ⁽¹⁾	3,205 ⁽¹⁾	4,464 ⁽¹⁾
Cash flows from (used in) investing activities	(591)	(1,109)	(1,382)	(1,606)
Cash flows from (used in) financing activities	(1,251)	(686)	354	(2,389)

⁽¹⁾ Including taxes paid in the amount of [] million in 2005, 199 million in 2004, 29 million in 2003 and 82 million in 2002, and net interest paid in the amount of [] million in 2005, 151 million in 2004, 261 million in 2003 and 387 million in 2002.

⁽²⁾ Including 106,629,054 new shares issued on July 27, 2004, and excluding treasury shares.

⁽³⁾ Excluding treasury shares.

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ABSENCE OF MITTAL STEEL/ARCELOR PRO FORMA FINANCIAL INFORMATION

Mittal Steel has included herein information concerning Arcelor insofar as it is known or reasonably available to Mittal Steel. However, Arcelor is not affiliated with Mittal Steel and has not permitted Mittal Steel access to its books and records or any other non-public information regarding Arcelor.

Arcelor prepares its financial statements under IFRS, which differs in certain significant respects from U.S. GAAP, on the basis of which Mittal Steel's financial statements incorporated by reference herein have been prepared. These differences, as they relate to Arcelor, cannot be quantified on the basis of the publicly available financial information of Arcelor and may be significant. For a narrative discussion of certain relevant differences between IFRS and U.S. GAAP, see Summary of Certain Differences between IFRS and U.S. GAAP.

For these reasons, Mittal Steel has not prepared pro forma financial information to reflect the effects of the proposed acquisition of Arcelor.

Table of Contents**COMPARATIVE PER-SHARE MARKET INFORMATION**

Mittal Steel's class A common shares are listed on the NYSE and on Euronext Amsterdam under the symbol MT. Arcelor's common shares are listed on Euronext Brussels, Euronext Paris, the Luxembourg Stock Exchange and on the Spanish Stock Exchanges, and the Convertible Bonds are listed on the Luxembourg Stock Exchange. The following table presents the closing market prices per share for Mittal Steel class A common shares, Arcelor common shares and the Convertible Bonds, in euro and in U.S. dollars, as the case may be, as reported on:

the NYSE for Mittal Steel class A common shares (including euro equivalent value);

Euronext Amsterdam for Mittal Steel class A common shares;

Euronext Paris for Arcelor common shares; and

the Luxembourg Stock Exchange for the Convertible Bonds.

The following table also presents the implied equivalent closing market prices for Arcelor common shares and the Convertible Bonds in U.S. dollars. The prices for the Arcelor common shares were calculated by multiplying the closing market prices per share of Mittal Steel class A common shares by the exchange ratio of 4 Mittal Steel class A common shares for every 5 Arcelor common shares, and then adding to those amounts the cash portion of the exchange consideration of 35.25 (or the U.S. dollar equivalent, as the case may be) for every 5 Arcelor common shares. The prices for the Convertible Bonds were calculated by multiplying the closing market prices per share of Mittal Steel class A common shares by the exchange ratio of 4 Mittal Steel class A common shares for every 5 Convertible Bonds, and then adding to those amounts the cash portion of the exchange consideration of 40.00 (or the U.S. dollar equivalent, as the case may be) for every 5 Convertible Bonds. Certain of the amounts set forth in U.S. dollars were originally in euro, and have been translated into U.S. dollars for January 26, 2006, at a rate of 1.00 = \$1.2214, which was the Bloomberg EURUSD exchange rate at the close of trading in Mittal Steel class A common shares on NYSE on that day, and, for [], 2006, a rate of 1.00 = \$[], which was the Bloomberg EURUSD exchange rate at the close of trading in Mittal Steel class A common shares on NYSE on that day.

The prices given are first, as of January 26, 2006, which was the last full trading day prior to the public announcement of the proposed Offer, and, second, as of [], 2006, the most recent practicable trading day prior to the date of this prospectus. See Market Price and Dividend Data for further information about the historical market prices and average daily trading volumes of these securities.

	Mittal Steel						Implied Equivalent Value per	
	Mittal Steel (NYSE)		Amsterdam)		Arcelor		Arcelor Security	
	Class A		Class A					
	common	common	Common	Convertible	Common	Convertible		
	shares (\$)	()	shares ()	shares ()	bonds ()	shares (\$)	bonds (\$)	
January 26, 2006	\$ 32.30	26.45	26.03	22.22	24.49	\$ 34.45	\$ 35.62	
[], 2006	\$ []	[]	[]	[]	[]	\$ []	[]	[]

The market prices of Mittal Steel class A common shares, Arcelor common shares and Convertible Bonds are likely to fluctuate prior to the expiration date of the Offer and cannot be predicted. We urge you to obtain current market information regarding Mittal Steel class A common shares, Arcelor common shares and Convertible Bonds.

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RISK FACTORS

You should carefully consider the following risks, together with the other information contained in this prospectus, before making any decision concerning the terms of the Offer or whether to accept it. Any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn affect the price of our shares.

Risks Relating to the Offer

The consideration offered for Arcelor shares may be adjusted at any time prior to settlement in the event of certain actions taken in relation to Arcelor's net equity.

The consideration offered for Arcelor shares is subject to adjustment if between February 6, 2006 and the settlement date of the Offer, Arcelor makes specified distributions in respect of its share capital, acquires its shares or issues new voting securities or securities conferring the right to subscribe for, acquire or convert into voting securities, as set out in detail herein. Depending on the event triggering the adjustment, consent of the competent regulatory authorities may be required and, in each case, shareholders who have previously tendered their Arcelor securities will be entitled to revoke such tenders at any time during the acceptance period and within three Business Days following the publication of such adjustment if published after the end of the acceptance period. Nonetheless, such adjustments to the consideration offered in the Offer could reduce its absolute value and reduce the aggregate relative percentage of cash received by tendering shareholders to below 25%.

It should be noted in this regard that the Board of Directors of Arcelor announced on February 14, 2006 the proposed payment of a dividend of 1.20 per share. If approved by the Arcelor annual shareholders' meeting (currently scheduled for April 28, 2006), this payment would result in an adjustment to the offer consideration as set out in The Offer Terms and Conditions of the Offer Offer Scope and Consideration Offer for Arcelor Shares Primary Mixed Cash and Exchange Offer or Secondary Cash and Exchange Offers below.

The fixed exchange ratio will not reflect market fluctuations.

Arcelor securityholders are being offered a fixed number of Mittal Steel shares in the Offer, rather than Mittal Steel shares with a fixed market value. The market values of Mittal Steel shares and the Arcelor securities at the time of the completion of the Offer may vary significantly from their value at the date of this prospectus or the date that you tender your Arcelor securities.

Even if Mittal Steel consummates the Offer, there may be a delay before Mittal Steel can obtain management control of Arcelor.

In order for Mittal Steel to take management control of Arcelor following a successful completion of the Offer, Mittal Steel will need to take control of the Arcelor board of directors. In order to do so, Mittal Steel must, under Luxembourg law, request the Arcelor board of directors to convene a shareholders' meeting with an agenda that will provide for the removal and election of directors. Arcelor's board of directors is obliged to convene such meeting within a period of one month after such request. If the Arcelor board of directors fails to convene such a shareholders' meeting, the only option open to Mittal Steel is to apply to the court to have the meeting convened, which would entail further delay.

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Regulatory approvals may not be obtained or may impose adverse conditions and obligations.

Although Mittal Steel does not anticipate that there will be any investigations or proceedings in any jurisdiction that would have a material impact on the operations of Mittal Steel or Arcelor, there can be no assurance that all necessary approvals will be granted or that they will be granted on favorable terms. In particular, a number of countries will have or claim to have jurisdiction to review the transaction under their competition or antitrust laws. It is possible that certain regulatory approvals will be subject to conditions and obligations that adversely affect the financial position or operations of Mittal Steel, which could include the divestiture of certain assets or business divisions or the imposition of obligations on Mittal Steel that restrict the manner in which it can carry on its business. Should any such divestitures or obligations be required and implemented, there could be a material adverse effect upon the business of Mittal Steel or Arcelor. Furthermore, Mittal Steel may decide that significant amounts of additional assets should be disposed of in connection with such divestitures for various business reasons. There can be no assurance that any divestitures ultimately required for regulatory reasons, or any related divestitures, will not have a material adverse effect upon Mittal Steel's business or results of operations in the future.

Mittal Steel has not been given the opportunity to conduct a due diligence review of the non-public records of Arcelor. Therefore, Mittal Steel may be subject to unknown liabilities of Arcelor that may have a material adverse effect on Mittal Steel's profitability and results of operations.

In commencing the Offer and determining its terms and conditions, Mittal Steel has relied solely and exclusively upon publicly available information relating to Arcelor, including periodic and other reports for Arcelor posted on its web site. Mittal Steel has not conducted an independent due diligence review of any non-public information about Arcelor. As of the date of this prospectus, Mittal Steel has not had access to due diligence materials or the management or independent public accountants of Arcelor. As a result, after the consummation of the Offer, Mittal Steel may be subject to unknown liabilities of Arcelor, which may have a material adverse effect on Mittal Steel's profitability, results of operations and financial position, which Mittal Steel might have otherwise discovered if it had been permitted by Arcelor to conduct a complete due diligence review.

The integration of Arcelor and Mittal Steel may not be fully successful and the integration process may disrupt operations.

The anticipated benefits and synergies expected to result from the Offer will depend in part upon whether the operations of Arcelor can be integrated in an efficient and effective manner with those of Mittal Steel. Successful integration will require the integration of various aspects of each company's business. There can be no assurances as to the extent to which the anticipated benefits expected to result from this integration will be achieved, if at all. These anticipated benefits could be more difficult to achieve in an unsolicited transaction opposed by or not supported by the Arcelor board of directors. Failure to successfully integrate the business organizations could have a material adverse effect on the financial condition and results of the operations of Mittal Steel and result in the failure to achieve certain of the expected benefits from the combination, including synergies and other operating efficiencies. The integration of the business organizations could interfere with the activities of one or more of the businesses of the companies, which could have a material adverse effect on their operations. In addition, the integration of the business organizations may involve a number of other risks, including the diversion of management's attention from the day-to-day operations of each company's business.

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The Offer could trigger certain change of control payments in the employment agreements of certain members of Arcelor's senior management, as well as change of control provisions in other contracts of Arcelor.

The employment agreements of certain members of Arcelor's senior management and other employees may contain change of control clauses providing for compensation to be granted in the event the employment of these employees is terminated following the consummation of the Offer, either by Arcelor or by those employees. If successful, the Offer would result in such a change of control, thereby giving rise to potential change of control payments, which could be substantial and which could adversely affect Mittal Steel's results of operations in the period they become payable.

In addition, other contracts to which Arcelor is a party may contain change of control provisions that could be triggered by the completion of the Offer, possibly resulting in termination of those contracts or increased obligations or loss of benefits to Arcelor. Because Mittal Steel has not been given the opportunity to conduct a due diligence review of the non-public records of Arcelor, Mittal Steel is unable to provide accurate details of, or to determine the possible risks relating to, such arrangements.

Consummation of the Offer may result in adverse tax consequences.

Mittal Steel has not had access to information concerning Arcelor's tax position. It is possible that the consummation of the Offer may result in adverse tax consequences arising from a change of ownership of Arcelor. The tax consequences of a change of ownership of a corporation can lead to an inability to carry-over certain tax attributes, including, but not limited to tax losses, tax credits and/or tax basis of assets. In addition, the change of ownership may result in other tax costs not normally associated with the ordinary course of business. Such other tax costs include, but are not limited to, stamp duties, land transfer taxes, franchise taxes and other levies. Moreover, no assurances can be given that the inclusion of Arcelor in the Mittal Steel group of companies will not adversely affect Mittal Steel's or Arcelor's corporate tax position.

The existence of minority interests in Arcelor's share capital may reduce benefits to Mittal Steel.

The existence of minority interests in Arcelor's share capital after the completion of the Offer may have various adverse effects upon Mittal Steel. If significant minority interests are present, Mittal Steel could have difficulty realizing the synergies and other operating efficiencies of the combination of the two companies, as well as realizing the revenue and earnings growth which it seeks to achieve by combining Arcelor and Mittal Steel.

Mittal Steel is a Dutch company, and being a shareholder of a Dutch company involves different rights and privileges than being a shareholder of a Luxembourg company.

The rights of shareholders Mittal Steel are governed by Dutch law and by Mittal Steel's Articles of Association. Dutch law extends to shareholders certain rights and privileges that may not exist under Luxembourg law and, conversely, does not extend certain rights and privileges that shareholders of a company governed by Luxembourg law may have. See Comparison of Rights of Shareholders under Luxembourg and Dutch Law.

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ThyssenKrupp has agreed with Mittal Steel to purchase all shares of Dofasco Inc. that may be acquired by Arcelor. If ThyssenKrupp AG fails to consummate this agreement, this may prolong review by antitrust authorities and delay the repayment of some acquisition debt.

On January 26, 2006, Mittal Steel agreed with ThyssenKrupp AG (ThyssenKrupp) that, if Arcelor acquires Dofasco Inc. (Dofasco) and Mittal Steel acquires a controlling interest in Arcelor, Mittal Steel will cause Arcelor to sell ThyssenKrupp all of the stock of Dofasco then held by Arcelor at a price equal to the euro equivalent of C\$68 per share, subject to the receipt of necessary regulatory approvals and the absence of certain material adverse changes in Dofasco between the date of signing and the date of transfer. Due to the position of Dofasco and Mittal Steel in certain markets, the absence of a pre-arranged buyer for Dofasco might result in longer, closer antitrust review. Further, failure by ThyssenKrupp to consummate the purchase would delay the receipt of funds that could have been used primarily to reduce acquisition debt.

Mittal Steel must make a mandatory tender offer for minority interests in Arcelor's listed Brazilian subsidiaries at a price determined by independent experts, which may be higher than expected.

Arcelor holds approximately 66% of the outstanding voting stock of Arcelor Brasil and 79% of the voting stock of Acesita, two Brazilian companies listed on the Bolsa de Valores de São Paulo (BOVESPA). Article 254-A of the Brazilian Corporation Law requires that, in the event of a direct or indirect acquisition of control of a company listed in Brazil, the acquiror must make an offer for all voting shares not already controlled.

Assuming that acquisition of control of Arcelor would constitute a change of control of its Brazilian subsidiaries, tender offers for all minority voting shares must be launched within 30 days following such acquisition. The offer price must be at least 80% of the part of the overall acquisition consideration, including premium, that is fairly attributable to the Brazilian companies. In the case of Arcelor Brasil, its by-laws increase this percentage to 100%. The determination of the price for Arcelor Brazil and Acesita will be made by an independent expert designated by the company and is subject to judicial review at the request of the minority shareholders.

Mittal Steel may offer the Brazilian shareholders the same mix of shares and cash as in the Offer or it may offer all cash. These offers would be financed out of one or a combination of existing resources, cash flow, proceeds of new financings and, possibly, equity. Mittal Steel does not expect to make this decision before the Offer is completed. For purposes of example only, based on (i) the respective closing market prices of Acesita and Arcelor Brazil voting shares on March 21, 2006 (which prices may differ from the fair values of such shares as finally determined in the manner described above), (ii) an offer price equal to 80% and 100%, respectively, of such current market prices, in each case without assigning any premium value related to the Offer, and (iii) the Mittal Steel share price of 26.45 (\$32.30) used for purposes of calculations in the context of the Offer, the minority interests in these companies would have an aggregate value of approximately 3 billion (\$3.6 billion), requiring the issuance of approximately 84 million shares and the payment of 0.7 billion (\$0.9 billion) in cash if Mittal Steel offers the same mix (i.e. 75%/25%) of shares and cash as in the Offer.

The issuance of Mittal Steel shares in such an offer would result in dilution of existing shareholders in proportion to their economic interests. Moreover, Mittal Steel cannot predict with certainty the values that the independent experts will ultimately assign to the shares of Arcelor Brasil and Acesita. If such values are higher than expected, Mittal Steel will have to finance a higher cash purchase price and possibly issue more shares, resulting in greater dilution.

The market for Arcelor securities may be adversely affected by the Offer.

If the Offer for Arcelor securities is successful, the liquidity and market value of the remaining Arcelor securities held by the public could be adversely affected by the fact that they will be held by a smaller number of holders.

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Depending upon the number of Arcelor securities acquired pursuant to the Offer, following the completion of the Offer, the Arcelor shares and Convertible Bonds may no longer meet the requirements for continued listing on the security exchanges on which they are currently listed. Moreover, to the extent permitted under applicable law and stock exchange regulations, Mittal Steel may seek to cause the delisting of the Arcelor shares and Convertible Bonds on any exchanges on which they are admitted to trading.

If any of the stock exchanges on which Arcelor securities are listed were to delist the Arcelor shares or Convertible Bonds, the market for these securities would be adversely affected. Although it is possible that the Arcelor shares and Convertible Bonds would be traded on other stock exchanges or in the over-the-counter market, and the price quotations would be reported by such exchanges or by other sources, there can be no assurance that any such trading quotations will occur.

In addition, the extent of the public market for the Arcelor shares and Convertible Bonds and the availability of such quotations would depend upon the number of holders and/or the aggregate market value of the Arcelor shares and Convertible Bonds, as the case may be, remaining at such time, and the interest in maintaining a market in the Arcelor shares and Convertible Bonds, as the case may be, on the part of securities firms. To the extent the availability of such listings or quotations depends on steps taken by Mittal Steel or Arcelor, Mittal Steel or Arcelor may or may not take such steps. Arcelor securityholders should therefore not rely on any such listing or quotation being available.

Mittal Steel has not verified the reliability of the Arcelor information included in this prospectus.

In respect of information relating to Arcelor presented in this prospectus, including all Arcelor financial information, we have relied exclusively upon publicly available information. Although we have no knowledge that would indicate that any statements contained herein based upon such reports and documents are inaccurate, incomplete or untrue, we were not involved in the preparation of such information and statements and therefore cannot verify the accuracy, completeness or truth of such information or any failure by Arcelor to disclose events that may have occurred, but that are unknown to us, that may affect the significance or accuracy of any such information. Arcelor has not provided representatives of Mittal Steel access to Arcelor's accounting records and has not permitted its independent public accountants to provide us with any information, including an independent public accountant's consent.

Risks Relating to Mittal Steel

Mittal Steel has experienced rapid growth through acquisitions in a relatively short period of time. The failure to manage such growth could have a material adverse effect on Mittal Steel's business.

Mittal Steel has experienced rapid growth and development through acquisitions in a relatively short period of time and may continue, following the contemplated acquisition of Arcelor, to pursue acquisitions in order to meet its strategic objectives. Such growth entails significant investment, as well as increased operating costs. Overall growth in Mittal Steel's business also requires greater allocation of management resources away from daily operations. In addition, the management of such growth (including management of multiple operating assets) will require, among other things, the continued development of Mittal Steel's financial and information management control systems, the ability to integrate newly acquired assets with existing operations, the ability to attract and retain sufficient numbers of qualified management and other personnel, the continued training and supervision of such personnel and the ability to manage the risks and liabilities associated with the acquired businesses. Failure to manage such growth, while at the same time maintaining adequate focus on the existing assets of Mittal Steel, could have a material adverse effect on Mittal Steel's business, financial condition, results of operations or prospects.

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Mr. Lakshmi N. Mittal can appoint Mittal Steel's directors and determine the outcome of shareholder voting.

Mr. Lakshmi N. Mittal has the power to elect the majority of the members of the Mittal Steel board of directors and to exercise voting control over the decisions adopted at the Mittal Steel general meetings of shareholders, including matters involving mergers or other business combinations, the acquisition or disposition of assets, issuances of equity and the incurrence of indebtedness. In particular, Mr. Lakshmi N. Mittal has the ability to prevent or cause a change of control of Mittal Steel. Of Mittal Steel's nine directors, three are related to Mr. Lakshmi N. Mittal.

Although Mr. Lakshmi N. Mittal's proportionate voting rights will decrease following the Offer, particularly as a result of the reduction in the multiple voting rights attached to his class B common shares from ten to two conditional upon the completion of the Offer, Mr. Lakshmi N. Mittal will continue to have the right to make binding nominations of candidates for appointment to the Mittal Steel board of directors and to have a majority of the voting rights in Mittal Steel. Accordingly, Mr. Lakshmi N. Mittal will continue to be able to prevent or cause a change in control of Mittal Steel.

Mittal Steel may not achieve the expected synergies from its recent significant acquisitions, including the acquisitions of ISG (now Mittal Steel USA) and Kryvorizhstal (now Mittal Steel Kryviy Rih).

Mittal Steel expects to achieve synergies from its acquisitions by integrating the acquired companies with its operations. Integrating the operations of acquired businesses is a complex and ongoing process. Successful integration and the achievement of synergies requires, among other things, the satisfactory coordination of business development and procurement efforts, manufacturing improvements and employee retention, hiring and training policies, as well as the alignment of products, sales and marketing operations and information and software systems. The diversion of the attention of the combined company's management to the integration effort and any difficulties encountered in combining operations could result in higher integration costs and lower savings than expected.

Mittal Steel announced at the time of the acquisition of ISG that it expected to achieve cost synergies of approximately \$250 million per annum by 2007 relating to purchasing, manufacturing, operating and other improvements, including inventory reduction, reduced capital expenditures and contract-related improvements in productivity. In connection with its acquisition of Kryvorizhstal, Mittal Steel announced that it expected to achieve cost synergies of up to approximately \$200 million by the end of 2006, relating to sales, marketing and procurement. The announced synergies from either or both of these acquisitions may not be achieved to the fullest extent or within the expected timeframe, which could have a material adverse effect on Mittal Steel's results of operations.

Mittal Steel may face significant price and other forms of competition from other steel producers, which could have a material adverse effect on its business, financial condition, results of operations or prospects.

Generally, the markets in which steel companies conduct business are highly competitive. Increased competition could cause Mittal Steel to lose market share, increase expenditures or reduce pricing, any one of which could have a material adverse effect on its business, financial condition, results of operations or prospects. The global steel industry has historically suffered from substantial over-capacity. Excess capacity in some of the products sold by Mittal Steel will intensify price competition for such products. This could require Mittal Steel to reduce the price for its products and, as a result, may have a material adverse effect on its business, financial condition, results of operations or prospects. Mittal Steel competes primarily on the basis of quality and the ability to meet customers' product specifications, delivery schedules and price. Some of the competitors of Mittal Steel may benefit from greater capital resources; have different technologies; have lower raw material and energy costs; and have lower employee post-employment benefit costs.

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In addition, the competitive position of Mittal Steel within the global steel industry may be affected by, among other things, the recent trend toward consolidation among competitors in the steel industry, particularly in Europe and the United States; exchange rate fluctuations that may make the products of Mittal Steel less competitive in relation to the products of steel companies based in other countries; and the development of new technologies for the production of steel and steel-related products.

The dependence of certain operating subsidiaries of Mittal Steel on either export or domestic markets may limit its flexibility in managing its business.

Some of Mittal Steel's operating subsidiaries are primarily export oriented, as domestic markets are not adequate to support operations, and some of its operating subsidiaries are substantially dependent on the domestic markets of their countries of operation. Any rise in trade barriers or trade-related actions in main export markets, or any fall in demand in the export or domestic markets due to weak economic conditions or other reasons, may adversely affect the operations of these subsidiaries and may limit Mittal Steel's flexibility in managing its business. See Note 17 to the Mittal Steel consolidated financial statements, incorporated by reference herein.

Mittal Steel could experience labor disputes that could disrupt operations.

A substantial majority of the employees of Mittal Steel are represented by labor unions and are covered by collective bargaining or similar agreements, which are subject to periodic renegotiation. Strikes or work stoppages could occur prior to or during the negotiations leading to new collective bargaining agreements, during wage and benefits negotiations or, occasionally, during other periods for other reasons. See Note 17 to the Mittal Steel consolidated financial statements, incorporated by reference herein.

Any such breakdown leading to work stoppage and disruption of operations could have an adverse effect on the operations and financial results of Mittal Steel. Additionally, many of the contractors working at Mittal Steel's operating subsidiaries' plants employ workers who are represented by various trade unions. Disruptions with these contractors could also have a material adverse effect on Mittal Steel's business, financial condition, results of operations or prospects.

Representatives of various unions representing Arcelor employees have made statements critical of the Offer. There can be no assurance that following the acquisition of Arcelor, the combined group will not be subject to strikes and other labor actions by former Arcelor employees that would have a material adverse effect on the business of Mittal Steel.

Mittal Steel may encounter supply shortages and increases in the cost of raw materials, energy and transportation.

Steel production requires substantial amounts of raw materials and energy, including iron ore, scrap, electricity, natural gas, coal and coke. Any prolonged interruption in the supply of raw materials or energy, or substantial increases in their costs, could adversely affect the business, financial condition, results of operations or prospects of steel companies. The availability and prices of raw materials may be negatively affected by new laws or regulations; suppliers' allocations to other purchasers; interruptions in production by suppliers; accidents or other similar events at suppliers' premises or along the supply chain; wars, natural disasters and other similar events; changes in exchange rates; consolidation in steel-related industries; the bargaining power of raw material suppliers; worldwide price fluctuations and other factors; and the availability and cost of transportation.

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In addition, energy costs, including the cost of electricity and natural gas, make up a substantial portion of the cost of goods sold by steel companies. The price of energy has varied significantly in the past several years and may vary significantly in the future largely as a result of market conditions and other factors beyond the control of steel companies, including significant increases in oil prices. In addition, natural gas prices in North America reached \$15 per mmbtu in 2005 versus a high of \$9 per mmbtu in 2004. Because the production of direct reduced iron and the re-heating of steel involve the use of significant amounts of natural gas, steel companies are sensitive to the price of natural gas.

Further, global developments, particularly the dramatic increase in the demand for materials and inputs used in steel manufacturing from China, may cause severe shortages and/or substantial price increases of key raw materials and ocean transportation capacity. Inability to recoup such cost increases from increases in the selling prices of steel companies' products, or inability to cater to their customers' demands because of non-availability of key raw materials or other inputs, may have a material adverse effect on the business, financial condition, results of operations or prospects of steel companies.

There can be no assurance that Mittal Steel will be able to procure adequate supplies in the future. In addition, a substantial portion of Mittal Steel's raw materials are procured under contracts that are either short-term or are subject to periodic price negotiations. Any prolonged interruption, discontinuation or other disruption in the supply of raw materials or energy, or substantial increases in their costs, could adversely affect Mittal Steel's business, financial condition, results of operations or prospects.

Mittal Steel will substantially increase its outstanding debt in connection with the acquisition of Arcelor, which may lower its credit rating. Cyclical downturns in the steel industry could also lead to credit rating downgrades. Credit rating downgrades could affect Mittal Steel's refinancing capacity, cost of funding and flexibility in managing its business.

At December 31, 2005, Mittal Steel had outstanding \$8.3 billion in aggregate principal amount of debt consisting of \$334 million of short-term indebtedness (including the current portion of long-term debt) and \$8.0 billion of long-term indebtedness. At December 31, 2005, Mittal Steel also had \$2.1 billion of cash and cash equivalents, including short-term investments and restricted cash, and for the year ended December 31, 2005 it recorded operating income of \$4.7 billion. A significant portion of such indebtedness consists of funds that were drawn down under a \$3.2 billion term and revolving credit facility that Mittal Steel entered into in April 2005 (the 2005 Credit Facility). On October 19, 2005, Mittal Steel entered into a \$3.0 billion term bridge facility to finance part of the acquisition of 93% of the issued share capital of Kryvorizhstal (the 2005 Bridge Finance Facility). The amount of the 2005 Bridge Finance Facility was increased to \$3.5 billion in November 2005. Part of the Kryvorizhstal acquisition was also funded through further drawdowns under the 2005 Credit Facility. As of December 31, 2005, the 2005 Bridge Finance Facility was fully drawn. In December 2005, Mittal Steel entered into an \$800 million committed multi-currency letter of credit facility and guarantee to support its day-to-day business.

In connection with the Offer, Mittal Steel has entered into two new credit facilities, a \$5 billion (approximately \$6 billion) credit facility to finance the cash portion of the Offer, and a separate \$3 billion (approximately \$3.6 billion) credit facility to refinance the 2005 Bridge Finance Facility (the New Credit Facilities). It is also possible that some of Arcelor's outstanding debt may require refinancing, although Mittal Steel has not had access to all the information it needs to assess whether change-of-control provisions exist or would be triggered.

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As a result of its offer for Arcelor and its increased level of indebtedness, including a significant increase in its short-term debt, Mittal Steel could suffer credit rating downgrades. Following Mittal Steel's announcement of the proposed Offer, Moody's Investors Service placed Mittal Steel's Baa3 Corporate Family Rating as well as the Ba1 ratings of its subsidiaries' debt on credit review for possible downgrade, and Standard & Poor's Rating Services placed its BBB+ long-term credit rating for Mittal Steel on credit watch with negative implications. Such credit rating downgrades could also result from a cyclical downturn in the steel industry, as Mittal Steel has experienced in the past. Any decline in its credit rating would increase Mittal Steel's cost of borrowing and may adversely affect its business, financial condition, results of operations or prospects, including its ability to refinance its existing indebtedness. In addition, any downgrade of Arcelor's credit rating, if it remains a separate subsidiary of Mittal Steel following the completion of the Offer, could adversely affect its business, financial condition and results of operations.

Mittal Steel's level of indebtedness and its guarantees of the debt of its subsidiaries may limit its flexibility in managing its business.

The 2005 Credit Facility and the New Credit Facilities contain provisions that limit Mittal Steel's ability to encumber its assets and incur debt and require compliance with maximum leverage and minimum interest coverage ratios. Limitations arising from these credit facilities could adversely affect Mittal Steel's ability to maintain its current dividend policy and make additional strategic acquisitions.

A portion of Mittal Steel's working capital financing consists of uncommitted lines of credit, which may be cancelled by the lenders in certain circumstances. The level of debt outstanding could have important adverse consequences to Mittal Steel, including impairing its ability to obtain additional financing for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes, and limiting its flexibility to adjust to changing market conditions or withstand competitive pressures, resulting in greater vulnerability to a downturn in general economic conditions.

Mittal Steel has also guaranteed \$0.9 billion of debt of its operating subsidiaries and some of these guarantees have provisions whereby a default by one operating subsidiary could, under certain circumstances, lead to defaults at other operating subsidiaries. Any possible invocation of any of these guarantees could cause some or all of the other guaranteed debt to accelerate, creating liquidity pressures. In addition, the Company has guaranteed approximately \$76 million of certain debts at its joint ventures I/N Tek and I/N Kote.

Furthermore, most of Mittal Steel's current borrowings are at variable rates of interest and expose Mittal Steel to interest rate risk. Generally, Mittal Steel does not use financial instruments to hedge a significant portion of its interest rate exposure. If interest rates rise, Mittal Steel's debt service obligations on its variable rate indebtedness would increase even if the amount borrowed remained the same, resulting in higher interest costs.

Following completion of the Offer, a substantial portion of Mittal Steel's debt may be denominated in euro. Accordingly, Mittal Steel could be exposed to fluctuations in the exchange rates between the U.S. dollar and the euro. There can be no assurance that such currency exchange rates will not have a material adverse effect on Mittal Steel's operating results in the future.

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As Mittal Steel is a holding company with no revenue-generating operations, it depends on the earnings and cash flows of its operating subsidiaries, which may not be sufficient to meet future needs.

As Mittal Steel is a holding company with no business operations of its own, it is dependent upon the earnings and cash flows of, and dividends and distributions from, its operating subsidiaries to pay expenses, meet its debt service obligations, and pay any cash dividends or distributions on its common shares. Some of these operating subsidiaries have debt outstanding or are subject to acquisition agreements that impose restrictions or prohibitions on such operating subsidiaries' ability to pay dividends.

Since Mittal Steel is incorporated under the laws of The Netherlands, it can only pay dividends or distributions to the extent it is entitled to receive cash dividend distributions from its operating subsidiaries, recognizes gains from the sale of its assets or records share premium as a result of the issuance of common shares. See Note 11 to the Mittal Steel consolidated financial statements, incorporated by reference herein.

Mittal Steel's mining operations are subject to mining risks.

Mittal Steel's mining operations are subject to hazards and risks normally associated with the exploration, development and production of natural resources, any of which could result in production shortfalls or damage to persons or property. In particular, hazards associated with Mittal Steel's open-pit mining operations include, among others: flooding of the open pit; collapses of the open-pit wall; accidents associated with the operation of large open-pit mining and rock transportation equipment; accidents associated with the preparation and ignition of large-scale open-pit blasting operations; production disruptions due to weather; and hazards associated with the disposal of mineralized waste water, such as groundwater and waterway contamination. Hazards associated with Mittal Steel's underground mining operations include, among others: underground fires and explosions, including those caused by flammable gas; cave-ins or ground falls; discharges of gases and toxic chemicals; flooding; sinkhole formation and ground subsidence; and other accidents and conditions resulting from drilling, blasting and removing, and processing material from an underground mine.

Mittal Steel is at risk of experiencing any or all of these hazards. The occurrence of any of these hazards could delay production, increase production costs and result in injury to persons and damage to property, as well as liability for Mittal Steel, all or some of which may not be covered by insurance.

Mittal Steel's executive directors and senior management contribute significantly to the shaping and implementation of its business strategy and the loss or diminution of their services could have a material adverse effect on Mittal Steel's business and prospects.

Mittal Steel's executive directors (*i.e.*, its Chairman and Chief Executive Officer and President and Chief Financial Officer) and senior management contribute significantly to the shaping and implementation of its business strategy. The loss or any diminution of the services of the executive directors or a number of senior managers could have a material adverse effect on Mittal Steel's business and prospects. Mittal Steel does not maintain key man life insurance on its executive directors or any members of its senior management.

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Under-funding of pension and other post-retirement benefit plans at some of Mittal Steel's, as well as potentially Arcelor's, operating subsidiaries, and the need to make substantial cash contributions to pension plans, which may increase in the future, may reduce the cash available for Mittal Steel's business.

Mittal Steel's principal operating subsidiaries in Canada, France, Germany, Trinidad, the United States, South Africa and Ukraine provide defined benefit pension plans to their employees. Some of these plans are currently under-funded. At December 31, 2005, the value Mittal Steel USA's pension plan assets with respect to former Ispat Inland pension plans was \$2.2 billion, while the projected benefit obligation was \$3.0 billion, resulting in a deficit of \$795 million. A large part of Mittal Steel's pension liabilities and funding requirements are at Mittal Steel USA. Mittal Steel USA also has an under-funded post-retirement benefit obligation of \$951 million relating to life insurance and medical benefits as of December 31, 2005. See Note 12 to the Mittal Steel consolidated financial statements, incorporated by reference herein.

Mittal Steel's funding obligations depend upon future asset performance, the level of interest rates used to measure ERISA minimum funding levels, actuarial assumptions and experience, union negotiated changes, future government regulation and the terms of the agreement with the Pension Benefit Guaranty Corporation (PBGC). Due to the large number of variables that determine pension funding requirements, which are difficult to predict, as well as any legislative action, future cash funding requirements for Mittal Steel's pension plans and other post-employment benefit plans could be significantly higher than amounts currently estimated. These funding requirements could have a material adverse effect on Mittal Steel's business, financial condition, results of operations or prospects.

Mittal Steel understands from Arcelor's 2004 annual report that as of December 31, 2004 the present value of its unfunded pension obligations was 1.2 billion. Mittal Steel cannot determine the amount as of a more recent date based on publicly available information. Assuming it has not substantially decreased since December 31, 2004, the acquisition of Arcelor would substantially increase Mittal Steel's exposure to the risks identified above relating to unfunded pension obligations.

Mittal Steel is subject to economic risks and uncertainties in the countries in which its operating subsidiaries operate. Any deterioration or disruption of the economic environment in those countries may have a material adverse effect on Mittal Steel's business, financial condition, results of operations or prospects.

Over the past few years, many of the countries in which Mittal Steel operates, or proposes to operate, have experienced economic growth and improved economic stability in certain sectors. Mittal Steel's business strategy was developed partly on the assumption that such economic growth and the modernization, restructuring and upgrading of the physical infrastructure in these countries will continue, thus creating an increased demand for its steel products and maintaining a stable level of steel prices both in these countries and in other key product markets. While the demand in these countries for steel and steel products has gradually increased, there is no assurance that this trend will continue. In addition, the legal systems in certain of the countries in which Mittal Steel operates remain underdeveloped, particularly with respect to bankruptcy proceedings, and the prospect of widespread bankruptcy, mass unemployment and the deterioration of certain sectors of these economies still exists. No assurance can be given that reform policies will continue to be implemented and, if implemented, will be successful, or that these countries will remain receptive to foreign trade and investment. Furthermore, any slowdown in the development of these economies or any reduction in the investment budgets of governmental agencies and companies responsible for the modernization of such physical infrastructure may have a material adverse effect on Mittal Steel's business, financial condition, results of operations or prospects.

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Mittal Steel is subject to political and social uncertainties in some of the developing countries in which it operates. Any disruption or volatility in the political or social environment in those countries may have a material adverse effect on Mittal Steel's business, financial condition, results of operations or prospects.

Mittal Steel operates in a number of developing countries. Some of these countries have been undergoing substantial political transformations, from centrally controlled command economies to pluralist market-oriented democracies. There can be no assurance that the political and economic reforms necessary to complete such a transformation will continue. On occasion, ethnic, religious, historical and other divisions have given rise to tensions and, in certain cases, military conflict. The political systems in these countries may be vulnerable to the populations dissatisfaction with reforms, social and ethnic unrest and changes in governmental policies, any of which could have a material adverse effect on Mittal Steel's business, financial condition, results of operations or prospects and its ability to continue to do business in these countries.

In addition, Mittal Steel may encounter difficulties in enforcing court judgments or arbitral awards in certain countries in which it operates because these countries may not be parties to treaties which recognize the mutual enforcement of court judgments.

Mittal Steel has made significant capital expenditure commitments and other commitments in connection with certain acquisitions.

In connection with the acquisition of certain of its operating subsidiaries, Mittal Steel has made significant capital expenditure commitments and other commitments with various governmental bodies involving expenditures required to be made over the next few years. In 2005, capital expenditure rose to \$1.2 billion. As at December 31, 2005, Mittal Steel and its subsidiaries had capital commitments outstanding of \$1.5 billion under privatization contracts and \$144 million under other major contracts. Mittal Steel expects to fund such capital expenditure commitments and other commitments primarily through internal sources, but there can be no assurance that Mittal Steel will be able to generate or obtain sufficient funds to meet these requirements in the future or to complete these projects on a timely basis or at all. In addition, completion of these projects may be affected by factors that are beyond the control of Mittal Steel. See Note 16 to the Mittal Steel consolidated financial statements, incorporated by reference herein.

Mittal Steel has also made certain commitments relating to employees at certain of its operating subsidiaries. In many of these jurisdictions, it has agreed, in connection with the acquisition of interests in these subsidiaries, that it will not make collective dismissals for certain periods. These periods generally extend several years following the date of acquisition. The inability to make such dismissals may affect Mittal Steel's ability to coordinate its workforce in response to changing market conditions and may have an effect on its business, financial condition, results of operations or prospects.

Although Mittal Steel has remained in compliance with its obligations under the relevant acquisition agreements and restructuring programs, Mittal Steel may not be able to remain in compliance with some or all of these requirements in the future. Failure to remain in compliance may result in forfeiture of part of Mittal Steel's investment and/or the loss of certain tax and regulatory benefits and may therefore have an adverse effect on its business, financial condition, results of operations or prospects.

In addition, Arcelor has announced a number of significant capital projects. Mittal Steel is not currently in a position to assess fully the potential financial impact on it of such projects were the Offer to be successful.

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Certain Mittal Steel subsidiaries benefited from state aid granted prior to, or in connection with, their respective privatizations, the granting of which is subject to transitional arrangements under the respective treaties concerning the accession of these countries to the European Union. Non-fulfillment or breach of the transitional arrangements and related rules may result in the recovery of aid granted pursuant to the transitional arrangements.

Mittal Steel has acquired formerly state-owned companies in the Czech Republic, Poland and Romania, some of which benefited from state aid granted prior to, or in connection with, their respective privatization and restructuring. Moreover, the restructuring of the steel industries in each of the Czech Republic, Poland and Romania is subject to certain transitional arrangements and related rules, which determine the legality of restructuring aid. The transitional arrangements form part of the respective treaties concerning the accession of the Czech Republic, Poland and Romania to the European Union.

Non-fulfillment or breach of the transitional arrangements and related rules may nullify the effect of the transitional arrangements and may result in the recovery of aid granted in accordance with the transitional arrangements that have been breached.

Mittal Steel is susceptible to the cyclical nature of the steel industry.

The steel industry is highly cyclical and is affected significantly by general economic conditions and other factors, such as worldwide production capacity, fluctuations in steel imports/exports and tariffs. Steel prices are sensitive to a number of supply and demand factors. Steel markets have recently been experiencing larger and more pronounced cyclical fluctuations. This trend, combined with the upward pressure on costs of key inputs, mainly metallics and energy, presents an increasing challenge for steel producers.

The volatility and the length and nature of business cycles affecting the steel industry have become increasingly unpredictable, and the recurrence of another major downturn in the industry may have a material adverse effect on the business, financial condition, results of operations or prospects of steel companies, including Mittal Steel.

Rapidly growing demand and supply of steel products in China and other developing economies may result in additional excess worldwide capacity and falling steel prices.

Over the last several years, steel consumption in China and other developing economies such as India has increased at a rapid pace. Steel companies have responded by developing steel production capabilities in these countries. Steel production, especially in China, has been expanding significantly and could be well in excess of Chinese demand depending on continuing demand growth rates. Because China is now the largest worldwide steel producer by a significant margin, any significant excess Chinese capacity could have a major negative impact on world steel trade and prices if excess production is exported to other markets.

Steel companies are susceptible to changes in governmental policies and international economic conditions.

Governmental, political and economic developments relating to inflation, interest rates, taxation, currency fluctuations, trade regulations, social or political instability, diplomatic relations, international conflicts and other factors may adversely affect the business, financial condition, results of operations or prospects of international steel companies. Mittal Steel has not obtained, and currently does not intend to obtain, political risk insurance in any country in which it conducts its business.

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Competition from other materials may have a material adverse effect on Mittal Steel's business, financial condition, results of operations or prospects.

In many applications, steel competes with other materials, such as aluminum (particularly in the automobile industry), cement, composites, glass, plastic and wood. Additional substitutes for steel products could adversely affect future market prices and demand for steel products.

Mittal Steel may experience currency fluctuations and become subject to exchange controls that could adversely affect its business, financial condition, results of operations or prospects.

Mittal Steel operates and sells products in a number of countries, and as a result, its business, financial condition, results of operations or prospects could be adversely affected by fluctuations in exchange rates. Major changes in exchange rates, particularly changes in the value of the U.S. dollar against the currencies of countries in which Mittal Steel operates, could have an adverse effect on its business, financial condition, results of operations or prospects.

The imposition of exchange controls or other similar restrictions on currency convertibility in the countries in which Mittal Steel operates could adversely affect its business, financial condition, results of operations or prospects. For example, some operations involving the South African rand and the Kazakh tenge are subject to limitations imposed by the South African Reserve Bank and National Bank of Kazakhstan, respectively. These restrictions have not historically had a material adverse effect on the business, financial condition, results of operations or prospects of Mittal Steel South Africa or Mittal Steel Temirtau, respectively. However, in the future these or other restrictions could have a material adverse effect on Mittal Steel's business, financial condition, results of operations or prospects.

Disruptions to Mittal Steel's operations could adversely affect Mittal Steel's business, financial condition, results of operations or prospects.

Steel manufacturing processes are dependent on critical steel-making equipment, such as furnaces, continuous casters, rolling mills and electrical equipment (such as transformers), and such equipment may incur downtime as a result of unanticipated failures or other events, such as fires or furnace breakdowns. Mittal Steel's manufacturing plants have experienced, and may in the future experience, plant shutdowns or periods of reduced production as a result of such equipment failures or other events. Such disruptions could have an adverse effect on Mittal Steel's operations, customer service levels and financial results.

The income tax liability of Mittal Steel may substantially increase if the tax laws and regulations in countries in which it operates change or become subject to adverse interpretations or inconsistent enforcement, or if the operating subsidiaries of Mittal Steel are unable to utilize certain tax benefits.

Taxes payable by companies in many of the countries in which Mittal Steel operates are substantial and include value-added tax, excise duties, profit taxes, payroll-related taxes, property taxes and other taxes.

Tax laws and regulations in some of the countries in which Mittal Steel operates may be subject to frequent change, varying interpretation and inconsistent enforcement. Ineffective tax collection systems and continuing budget requirements may increase the likelihood of the imposition of arbitrary or onerous taxes and penalties in the future, which could have a material adverse effect on Mittal Steel's business, financial condition, results of operations or prospects. In addition to the usual tax burden imposed on taxpayers, these conditions create uncertainty as to the tax implications of some business decisions. This uncertainty could expose Mittal Steel to significant fines and penalties and to enforcement measures despite its best efforts at compliance, and could result in a greater-than-expected tax burden. See Note 13 to the Mittal Steel consolidated financial statements, incorporated by reference herein.

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In addition, many of the jurisdictions in which Mittal Steel operates have adopted transfer pricing legislation. While Mittal Steel believes that its operations are conducted in compliance with applicable transfer pricing legislation, if tax authorities impose significant additional tax liabilities as a result of transfer pricing adjustments, it could have a material adverse effect on Mittal Steel's business, financial condition, results of operations or prospects.

It is possible that taxing authorities in the countries in which Mittal Steel operates will introduce additional revenue-raising measures. The introduction of any such provisions may affect the overall tax efficiency of Mittal Steel and may result in significant additional taxes becoming payable. Mittal Steel cannot offer any assurance that additional tax exposure will not arise or that any such additional tax exposure will not have a material adverse effect on its business, financial condition, results of operations or prospects.

Mittal Steel may face a significant increase in its income taxes if tax rates and tax laws and regulations in the jurisdictions and treaties between jurisdictions in which it operates increase and/or are modified by regulatory authorities in an adverse manner. This may adversely affect Mittal Steel's cash flows, liquidity and ability to pay dividends.

Mittal Steel may be unable to fully utilize its deferred tax assets.

At December 31, 2005, Mittal Steel had \$985 million recorded as deferred tax assets on its balance sheet. These assets can only be utilized if, and to the extent that, Mittal Steel's operating subsidiaries generate adequate levels of taxable income in future periods to offset the tax loss carryforwards and reverse the temporary differences before they expire. At December 31, 2005, the amount of future income required to recover Mittal Steel's deferred tax assets is approximately \$4.0 billion at certain operating subsidiaries. Mittal Steel's ability to generate taxable income is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control. Consequently, Mittal Steel cannot assure you that it will generate sufficient taxable income to realize its deferred tax assets. If Mittal Steel generates lower taxable income than the amount it has assumed in determining the deferred tax assets, then additional valuation reserves will be required, with a corresponding charge against income.

Mittal Steel is subject to stringent environmental regulations that give rise to significant environmental costs and liabilities, including those arising from environmental remediation programs.

Each of Mittal Steel and Arcelor is subject to a broad range of environmental laws and regulations in each of the jurisdictions in which it operates. These laws and regulations, as interpreted by relevant agencies and the courts, impose increasingly stringent environmental protection standards regarding, among other things, air emissions, wastewater storage, treatment and discharges, the use and handling of hazardous or toxic materials, waste disposal practices, and the remediation of environmental contamination. For example, EU Directives, as well as any new or additional environmental compliance requirements that may arise out of the implementation by different countries of the Kyoto Protocol (United Nations Framework on Climate Change, 1992), may impose new and/or additional rules or more stringent environmental norms that steel companies may have to comply with. Compliance with these obligations may require additional capital expenditures or modifications in operating practices, particularly at steel companies operating in countries that have recently joined the European Union or are scheduled to join the European Union in the near future. The costs of complying with environmental regulatory or remediation obligations, including participation in the assessment and remediation of contaminated sites, could be significant and failure to comply could result in the assessment of civil and criminal penalties, the suspension of permits or operations, and lawsuits by third parties. In addition to the impact on current facilities and operations, these standards can give rise to substantial environmental liabilities with respect to divested assets and past activities.

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Currently, each of Mittal Steel and, as Mittal Steel understands, Arcelor is involved in a range of compliance actions and legal proceedings concerning environmental matters. All of these are legacy obligations arising from the acquisitions made. Mittal Steel is also conducting significant remedial activities at various facilities to address environmental liabilities as part of the settlement of these actions and, in some cases, in the absence of any governmental action. See Note 17 to the Mittal Steel consolidated financial statements. Mittal Steel has established reserves for environmental remediation activities and liabilities. However, environmental matters cannot be predicted with certainty, and there can be no assurance that the reserved amounts will be adequate, especially in light of the potential for change in environmental conditions or the discovery of previously unknown environmental conditions, the risk of governmental orders to carry out additional activities not initially included in the remediation estimates, and the potential for Mittal Steel to be liable for remediation of other sites for which provisions have not been previously established. Such future developments could result in increased environmental costs and liabilities that could have a material adverse effect on Mittal Steel's financial position and results of operations.

In addition, Mittal Steel has agreed to make certain capital expenditures related to environmental matters in connection with its acquisition of certain of its operating subsidiaries. Failure to comply with its commitments under these agreements could result in significant monetary penalties.

Natural disasters could significantly damage Mittal Steel's production facilities.

Natural disasters could significantly damage Mittal Steel's production facilities and general infrastructure. In particular, Mittal Steel Lázaro Cárdenas's production facilities are located in Lázaro Cárdenas, Michoacan, Mexico and Mittal Steel Temirtau is located in the Karaganda region of the Republic of Kazakhstan, both of which are areas that have historically experienced earthquakes of varying magnitude. Extensive damage to either facility, or any other major production complexes, whether as a result of an earthquake or other natural disaster, could have a material adverse effect on Mittal Steel's business, financial condition, and results of operations or prospects.

Mittal Steel's insurance policies provide limited coverage, potentially leaving it uninsured against some business risks.

The occurrence of an event that is uninsurable or not fully insured could have a material adverse effect on Mittal Steel's business, financial condition, results of operations or prospects. Mittal Steel maintains insurance on property and equipment in amounts believed to be consistent with industry practices but it may not be fully insured against some business risks. Mittal Steel's insurance policies cover physical loss or damage to its property and equipment on a reinstatement basis arising from a number of specified risks and certain consequential losses, including business interruption arising from the occurrence of an insured event under the policies. Under these policies, damages and losses caused by certain natural disasters, such as earthquakes, floods and windstorms, are also covered. Each of the operating subsidiaries of Mittal Steel also maintains various other types of insurance, such as workmen's compensation insurance and marine insurance. Notwithstanding the insurance coverage that Mittal Steel and its subsidiaries carry, the occurrence of an accident that causes losses in excess of limits specified under the policy, or losses arising from events not covered by their insurance policies, could have a material adverse effect on Mittal Steel's business, financial condition, results of operations or prospects.

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Product liability claims could adversely affect Mittal Steel's operations.

Mittal Steel sells products to major manufacturers who are engaged to sell a wide range of end products. Furthermore, Mittal Steel's products are also sold to, and used in, certain safety-critical applications. If Mittal Steel were to sell steel that is inconsistent with the specifications of the order or the requirements of the application, significant disruptions to the customer's production lines could result. There could also be significant consequential damages resulting from the use of such products. Mittal Steel has a limited amount of product liability insurance coverage, and a major claim for damages related to products sold could have a material adverse effect on its business, financial condition, results of operations or prospects.

International trade actions or regulations and trade-related legal proceedings may adversely affect sales, revenues and business in general of steel companies.

Mittal Steel is an international operation with sales spanning many countries, and therefore its businesses have significant exposure to the effects of trade actions and barriers. In the past, various countries, including the United States, have instituted, or are contemplating the institution of, trade actions and barriers.

Mittal Steel cannot predict the timing and nature of similar or other trade actions by the United States or any other country. Because of the international nature of Mittal Steel's operations, it may be affected by any trade actions or restrictions introduced by any country in which it sells, or has the potential to sell, its products. Any such trade actions could adversely affect Mittal Steel's profit margins and, as a result, its business, financial condition, results of operations or prospects and, depending on the timing, nature and jurisdiction of such actions, such adverse effects could be material.

In addition to the more general trade barriers described above, if any steel company were party to a regulatory or trade-related legal proceeding that was decided adversely to such company, or an operating subsidiary thereof, it could adversely affect the business, financial condition, results of operations or prospects of such company.

Significant expenditures and senior management time may be required with respect to Mittal Steel's internal controls to ensure compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002.

Section 404 of the Sarbanes-Oxley Act and the regulations of the SEC thereunder require senior executive and senior financial officers of Mittal Steel to assess on a regular basis the internal controls over financial reporting, evaluate the effectiveness of such internal controls and disclose any material weaknesses in such internal controls. Mittal Steel's external auditors will also be required to provide an attestation of management's evaluation, including with respect to entities acquired by Mittal Steel (such as Arcelor), some of which may not be subject to Section 404 or may have internal control weaknesses or deficiencies. In the event that Mittal Steel senior management or independent accountants determine that Mittal Steel's internal controls over financial reporting are not effective as defined under Section 404, investor perceptions of Mittal Steel may be adversely affected. The rules regarding management's report on internal controls and attestation will apply to Mittal Steel from the fiscal year ending December 31, 2006.

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Mittal Steel's results of operations may differ significantly from the unaudited pro forma condensed financial information incorporated by reference herein.

The unaudited pro forma condensed combined financial information incorporated by reference herein is not necessarily indicative of the results that actually would have been achieved had Mittal Steel's acquisition of ISG (now part of Mittal Steel USA) been completed on January 1, 2005, or that may be achieved in the future. Mittal Steel can provide no assurances as to how the operations and assets of both companies would have been run if they had been combined, or how they will be run in the future, which, together with other factors, could have a significant effect on the results of operations and financial position of the combined company. Differences between Mittal Steel's actual financial statements and the unaudited pro forma condensed combined statements of operations incorporated by reference in this prospectus could also arise from the results of impairment tests required by U.S. GAAP. For example, goodwill is required to be tested for impairment on an annual basis and between annual tests in certain circumstances. In addition, other long-lived assets held by Mittal Steel and Mittal Steel USA may need to be tested for impairment given certain events or changes in circumstances.

This prospectus does not contain any pro forma financial information to illustrate the financial situation of the combined company were the Offer successful.

No pro forma financial information is included in this prospectus to illustrate the effect of the proposed acquisition of Arcelor for the reasons set out in **Absence of Mittal Steel/Arcelor Pro Forma Financial Information**. Accordingly, investors do not have a quantitative basis on which to measure the impact of the proposed acquisition of Arcelor on Mittal Steel's results of operations and financial condition.

The reconciliation of Arcelor's financial statements to U.S. GAAP could have an adverse effect on the reported results of the combined entity.

Arcelor has prepared its historical financial statements in accordance with IFRS. If the Offer is successful, it will be necessary to reconcile Arcelor's financial results to U.S. GAAP to comply with Mittal Steel's U.S. reporting obligations in the future. It is not possible to quantify the impact that this reconciliation will have on Mittal Steel's financial statements, although Arcelor's U.S. GAAP reported results could adversely affect Mittal Steel's U.S. GAAP reported results.

Future sales of Mittal Steel's common shares may affect the market price of its shares.

Sales, or the possibility of sales, of substantial numbers of Mittal Steel's common shares in the public markets could have an adverse effect on the market price of its common shares. The Controlling Shareholder will own at least 50% of Mittal Steel's common shares after the Offer and will not be subject to resale restrictions. Any subsequent offering of the common shares of Mittal Steel may have rights, preferences or privileges senior to those of the common shares of Mittal Steel currently outstanding.

There may be difficulties in enforcing civil liabilities against Mittal Steel and its directors and senior management.

Mittal Steel is organized under the laws of The Netherlands with its principal executive offices and corporate seat in Rotterdam, The Netherlands. The majority of Mittal Steel's directors and senior management and some of the experts named in this prospectus are residents of jurisdictions outside the United States. The majority of Mittal Steel's assets and the assets of these persons are located outside the United States. As a result, U.S. investors may find it difficult to effect service of process within the United States upon Mittal Steel or these persons or to enforce outside the United States judgments

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obtained against Mittal Steel or these persons in U.S. courts, including actions predicated upon the civil liability provisions of the U.S. federal securities laws. Likewise, it may also be difficult for an investor to enforce in U.S. courts judgments obtained against Mittal Steel or these persons in courts in jurisdictions outside the United States, including actions predicated upon the civil liability provisions of the U.S. federal securities laws.

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THE OFFER

Rationale for the Offer

Introduction

Mittal Steel believes that further consolidation in the global steel industry is both highly desirable and inevitable. Despite a trend toward increasing consolidation over the past several years, the industry remains too regional and fragmented in relation to the many challenges that it faces, including increased globalization and concentration of end-market customers and raw material suppliers, the need to expand energetically into emerging markets where future growth will be highest, the drive for greater economies of scale in plant utilization and research and development (R&D), and the overall objectives of reducing earnings volatility and creating sustainable returns on capital. Arcelor's senior management has similarly noted the need and desirability of industry rationalization and consolidation.

In this light, the combination of Mittal Steel and Arcelor has a compelling strategic and economic rationale. It represents a step change in consolidation, which will bring together two largely complementary businesses, both in terms of geographic presence and product offerings, to create a European-based leading global steel supplier with approximately 10% of worldwide crude steel production. In doing so, Mittal Steel believes that the combination will lead to better service to a globalizing customer base, more effective purchasing from concentrated suppliers, lower production costs, enhanced R&D, better resistance to volatility in what traditionally has been a highly cyclical industry, and improved access to growth opportunities in emerging economies.

Mittal Steel expects the combination to generate cost synergies in the range of \$1.0 billion annually by 2009 (approximately 1.5% of the combined entity's sales in 2005) from a combination of purchasing savings and improved logistics (\$600 million), manufacturing and process optimization (\$200 million) and marketing and trading (\$200 million).

Moreover, because there is very limited overlap between the two group's existing facilities and operations and because Arcelor is already performing well overall, Mittal Steel sees no need for significant restructuring programs or other changes in Arcelor's existing business beyond what has already been announced by Arcelor's management. Indeed, the impact of the combination on Arcelor's European operations will be positive. Mittal Steel plans to respect fully all of Arcelor's social commitments, to maintain and possibly expand the role of European R&D in a more global company, to continue to partner with public laboratories and universities, and to continue investments to maintain the high performance levels of existing facilities.

If less than 50% of the total issued share capital and voting rights of Arcelor is tendered as required to satisfy the Minimum Tender Condition described in Terms and Conditions of the Offer Conditions Precedent to the Offer below, Mittal Steel has the right to waive this condition and purchase the tendered securities anyway. Any such decision would depend on an evaluation of all the circumstances prevailing at the time. In any such case, however, Mittal Steel would be an important shareholder of Arcelor, and there would be a substantial basis for cooperation between the two companies, allowing each of them to realize a significant portion of the mutual benefits described herein.

This section includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Please see in this regard the section entitled Cautionary Statement Concerning Forward-Looking Statements included elsewhere in this prospectus.

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Factors Driving Consolidation in the Steel Industry

As evidenced by numerous statements by both Mittal Steel and Arcelor, both companies see industry consolidation as an important strategic objective. The proposed combination would turn both companies' vision into reality for the benefit of all stakeholders.

The steel industry remains fragmented despite gradual consolidation over the past decade. From 1993 to 2004, the top 10 producers' global production share grew from 20% in volume (with production of roughly 140 million tonnes) to 28% (approximately 300 million tonnes). The top five steel producers commanded a 19% share of the global market in 2004, by tons of steel produced. Market leader Mittal Steel accounted for only 5.6% of the global production, while Arcelor, the second-largest producer, had a 4.4% share. Nippon Steel (Japan), Posco (Korea) and JFE Holding (Japan) each had shares of approximately 3% by volume. (Source: Metal Bulletin Magazine, "Top Steelmakers of 2004," dated March 21, 2005).

Compared to other asset intensive industries, steel is far behind in the consolidation process. The top five steel producers account for roughly 20% of the global production, versus roughly 70% for the top five automotive manufacturers and about 35 to 40% in aluminum or copper. (Sources: Pilkington, "2005 Pilkington and the flat glass industry," November 2005; AME Mineral Economics, quoted in PricewaterhouseCoopers "Forging Ahead: Mergers and acquisitions activity in the global metals industry," 2005; Citigroup, "M/Metals Prospects," March 2006)

Today, most of the large steel companies are 20-50 million ton regional producers that are seeking to become increasingly multi-regional. Mittal Steel is the most global producer, with a presence in four regions and customers in over 150 countries. Mittal Steel's sales are balanced across regions, while those of other leaders tend to be concentrated in specific regions, such as Asia, North America or Europe. Arcelor, the second-largest producer, operates primarily in Western Europe and Latin America (Brazil and Argentina). Arcelor's bid to acquire the Canadian company Dofasco is an attempt to develop a position in North America. Arcelor currently has limited exposure to Eastern Europe, Africa and Asia, which offer promising growth opportunities to steel producers.

In Mittal Steel's view, there are five powerful forces driving consolidation.

1. Globalizing and Consolidating Customer Industries.

The emergence of clear global industry leaders will create benefits for globalizing customer industries: global products, seamless service capabilities, global quality assurance and processes, and critical mass in R&D for faster new product and solution development. The automotive industry, a major purchaser of steel (around 20% to 25% of total steel output in mature markets - Source: GIA, "Steel: A Global Strategic Business Report," January 2006), has seen increasing consolidation, as manufacturers seek to achieve economies of scale, expand and globalize model lines, diversify risk, and optimize costs. In 1970 there were 57 independent car manufacturers; in 2000, only 13 major producers. By 2010, only six to eight are expected to remain. Automotive manufacturers are also pursuing global strategies. Volkswagen and Toyota, for example, produce 60% to 70% of their vehicles outside their home market, and international production is growing faster than their domestic production. The share of global producers (present in more than two regions, *e.g.*, Toyota, Daimler-Chrysler, Renault-Nissan) has been rising. In 2000, they produced 45% of all vehicles; they produced 62% in 2005. That percentage is expected to reach nearly 90% in 2020 (Source: JD Power, "Global Car and Truck Forecast," Q2 2005).

Automotive manufacturers' tendency to locate their production sites in emerging countries is also significant. This is due in part to stronger demand than in mature markets.

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For instance, Renault's fastest growth in 2005 took place in Eastern Europe, where its volume increased by about 50% (Source: Renault press release January 2006), spurred by the popularity of its cars in Romania and the launch of the Logan in Russia. In June 2005, Toyota and PSA jointly established a plant in the Czech Republic.

Global customers increasingly require suppliers to follow them into new regions in order to limit transportation costs, inventory, and risk, and to allow them increased flexibility, lower production costs and consistent quality. For example, Bosch, like many other automotive component suppliers, is investing in Central and Eastern Europe to gear up for the manufacturing expansion taking place there.

Similar changes are taking place in the white-goods industry (which consumes around 15% to 20% of total steel output in mature markets Source: GIA, *Steel: A Global Strategic Business Report*, January 2006). In the 1980s, 350 white-goods manufacturers competed in Europe. By 2000, only about 15 remained (Source: Lambert & Gillian, University of Australia and Nichols & Cam, *The World of White Goods*, 2005; companies' annual reports). Global producers accounted for about 30% of the goods in 1990 (Source: Lambert & Gillian, University of Australia and Nichols & Cam, *The World of White Goods*, 2005; companies' annual reports); by 2015, they are expected to produce more than half of global supply. Manufacturers' trend toward off-shoring in emerging countries is also very clear: Electrolux currently operates plants in eight low-cost countries, half of which are in Eastern Europe. Whirlpool already manufactures around 50% of its output in emerging markets and has increased its investments to levels not seen since the late 1990s, expanding in Mexico and Poland.

Global customers increasingly require global framework contracts, demanding consistency of products and services across different regions to achieve the same quality standards on a global basis. At present, both Arcelor and Mittal Steel negotiate long-term contracts with their customers in industries such as automotive or white goods, and set up international coordination and partnerships to get global reach.

2. Consolidation Provides Greater Bargaining Power with Highly Concentrated Supplier Industries.

Several suppliers to the steel industry have disproportionate negotiating power over raw materials. Raw materials represent approximately 50% of steel producers' purchasing expense. The markets for these materials, meanwhile, are often consolidated. In sea-borne iron ore trade, which represents 20% of raw materials costs for steel producers, three companies (CVRD, Rio Tinto, BHP Billiton) together control more than 70% of the market. In coking coal, which accounts for about 15% of raw materials costs, nearly 60% of exports are controlled by only five companies (including Rio Tinto and BHP Billiton). The picture is similar for other metals representing about 20% of raw materials costs: the top 10 producers of zinc control over 50% of sales (Source: RBC Capital Markets, *Metal Prospects 2006 Zinc Market Outlook*, December 2005; Citigroup, *Zinc and Lead Market Outlook*, February 2004). And 50% of nickel is sold by four producers (Norilsk, BHP Billiton, Inco & Falconbridge, Sources: RBC Capital Markets, *Metal Prospects 2006 Nickel Market Outlook*, December 2005; companies' annual reports). By contrast, Mittal Steel and Arcelor together represent only about 10% of total steel production.

The disproportionate bargaining power wielded by suppliers enables them to obtain price increases from steel producers (e.g., in 2005, prices of coking coal and iron ore increased by 111% and 71%, respectively) even against a backdrop of falling steel prices. (Source: Morgan Stanley, *Basic Materials Global Supply/Demand Outlook Through 2009*, December 2005)

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In addition, beyond pure commercial relationships, a more consolidated steel industry will be in a better position to establish true partnerships and therefore develop more integrated relationships with raw materials suppliers (e.g., joint process improvement for logistics optimization).

3. Growth Prospects Differ Significantly from Region to Region and Large Producers in Mature Regions Need to Pursue New Growth Opportunities.

Mature regions (North America, Western Europe, Japan) are expected to experience relatively slow growth in coming years. In these regions, volume growth from 2005 to 2015 is expected to be about 1.8% annually in North America, 1.9% annually in Europe (excluding CIS and Russia) and 1.0% in Japan (source: Dexia Report, September 29, 2005). The mature regions are less fragmented than the developing regions.

Production in many developing countries is fragmented, in particular the BRICET countries Brazil, Russia, India, China, Eastern Europe and Turkey. For example, the top 10 Chinese steel producers together represent barely 30% of the Chinese steel market, with the top producer, Baosteel, accounting for only 7% of the market.

In addition, the BRICET countries are expected to contribute most of the growth in the steel industry (over 5% per year) over the next decade. For example, the Chinese steel market is expected to grow just under 7% per year from 2005 to 2015, and India at a rate just over 7%. (Source: Dexia, September 2005)

In order to pursue new growth opportunities, large producers in mature regions seem to be following two approaches: filling their gaps in developed countries and expanding in developing countries (particularly BRICET regions). The recent competitive bidding for the same companies, such as Ukrainian Kryvorizhstal (eventually acquired by Mittal Steel) and Turkish Erdemir (eventually acquired by OYAK, a Turkish industrial conglomerate), is illustrative of the growing importance of increasing presence in the BRICET countries.

As noted above, most large producers operate in developed mature regions, where growth opportunities will remain limited in the next decade. The exception is Mittal Steel, which has invested in emerging countries for many years: starting in Latin America in Mexico in 1992, in Kazakhstan in 1995, in Africa in 2001, in Central and Eastern Europe from 2001 onwards (up to its recent acquisition of Kryvorizhstal in Ukraine). Most recently Mittal Steel has entered China through a shareholding in Hunan Valin and Mittal Steel also signed a Memorandum of Understanding with the state of Jharkhand in India to develop a 12 million tonnes per year steel plant and an iron ore mine. Arcelor has followed a similar track: through acquisition of a significant stake in CST in 1998, Belgo Mineira it acquired Acindar in Argentina in 2004 and Huta Warszawa in Poland in 2005, two moves which underscore Arcelor's announced intention of expanding as well in the BRICET regions.

4. Consolidation Fosters Economies of Scale, Better Returns, and Greater Ability to Sustain R&D Investments.

Large steel producers can specialize their plants on certain types of products and thus create more value from their assets. Plants dedicated to either high-end or commodity products, for instance, generally perform better than generalist plants making both, because they can eliminate costs of switching equipment to handle the different kinds of output. Large producers are also better equipped to improve manufacturing excellence, because they can share best practices and perform internal benchmarking across a wider number of sites. In addition, with large networks of plants, it is easier to cost-effectively manage the supply chain, because increased scale helps companies improve product flow, lower logistics costs and manage inventory better. Investments in innovative products, technologies and additional R&D can be amortized on a larger scale.

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5. Consolidation Reduces Volatility and Creates a More Stable Industry.

The steel industry has suffered considerable volatility for many years. Larger producers, having better visibility into their end-markets, are better able to balance supply and demand.

New Industry Configuration

As a result of the above factors, Mittal Steel believes that the global steel industry will reconfigure during the course of the next decade into a three tier structure comprised of (1) a small number of large global manufacturers operating in both mature markets and throughout the BRICET countries and producing over 150 million tons per year, (2) a number of mid-size regional manufacturers that are primarily focused on their regional markets and producing up to 100 million tons per year, and (3) smaller local producers focusing on one or a few countries and very specific product lines.

Mittal Steel believes that the large global producers will have a number of common characteristics:

Global production in excess of 150 million tonnes. Mittal Steel believes that growth rates combined with consolidation trends will move the leadership threshold closer to 150-200 million tonnes by 2015. This target represents 12 to 15% of the global steel market expected by 2015.

Strong business relationships with increasingly global customers. Customers of large steel companies are also globalizing and consolidating. That makes global key account management, including services through state-of-the-art downstream operations, distribution and global product capabilities, even more crucial. As an example, Renault and Nissan have merged their purchasing organizations into RNPO (Renault-Nissan Purchasing Organization) and are rationalizing their common suppliers panel. For each product category, their objective is to have a restricted number of suppliers (between three and five). RNPO wants most suppliers to be global, so they can work closely with them to develop products and have those products made by the same supplier in all Renault-Nissan production locations. (Source: Financial Times, March 2005; Automotive News, June 2002 and March 2005)

Multi-regional operations to capitalize on R&D and process innovations. Innovation will become critical, as customers increasingly demand higher product quality, sophistication, and even customization. Approximately 40% of the steels which will exist in five years do not exist yet, and 40% of steels which exist today will have disappeared in five years. And steels of tomorrow will undoubtedly be composite steels, predicts Michel Lahousse, head of Arcelor Research, in Lorraine (source: Les Echos - October 2005). The most successful companies will be those that develop and keep introducing innovative products.

Global footprint to capture BRICET countries growth and benefit from low-cost operations. As described above, future growth in demand for steel is expected to be highest in the BRICET countries, spurred by the increasing local need for steel-based products (construction and infrastructure, cars, appliances, etc.). Leading producers will

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also need to reduce their production costs to meet competition from emerging countries by tapping into these currently low-cost production areas, including for semi-finished products such as slabs.

Integration into mining operations. Raw materials represent a large portion of the industry's cost structure, and integrating upstream will reduce raw material price volatility (hedging). This has been one of the key elements of Mittal Steel's strategy over the last 15 years. More recently, other large competitors have adopted this strategy.

World-class sustainable development practices and operational excellence. Knowledge sharing and technology transfer will improve operational performance. A significant part of Mittal Steel's success has stemmed from its ability to share experiences and best practices across the whole group between units spread around the world (e.g., Kazakhstan, Romania, South Africa, Algeria, USA, Western Europe, Trinidad). Continuous improvement is a key driver within Mittal Steel and it is supported by a knowledge management program, detailed benchmarking, process development and inter-plant visits of technical experts. Meanwhile, emerging countries' top producers are quickly catching up with the technological advances made by leaders in developed countries. Sustainable development practices will be essential to equip the organization to respond most effectively to the needs and priorities of all its stakeholders, including their communities.

Mittal Steel believes that large transactions, such as the combination with Arcelor, can create a global leadership position faster, more efficiently and with less risk than a series of medium-sized acquisitions and organic growth. With ongoing consolidation in the steel industry, attractive acquisition targets are becoming more scarce, which has inevitably led to greater competition for a decreasing number of companies. Organic growth combined with small acquisitions will not be sufficient to reach truly global size. Therefore large acquisitions are imperative. Dofasco represents a significant acquisition for Arcelor and yet only contributes an additional 5 million tonnes to Arcelor's annual production. Similarly, Mittal Steel's recent acquisition of Mittal Steel Kryviy Rih (Ukraine) added just 7 million tonnes, although with scope for expansion. Reaching the size of 150-200 million tonnes will require larger transactions.

Mittal Steel and Arcelor are Highly Complementary.

For a summary of the respective businesses and operations of Mittal Steel and Arcelor, see [Information about Mittal Steel](#) and [Information About Arcelor](#).

1. Arcelor and Mittal Steel have been Following a Similar Strategy in Recent Years with Respect to Growth by Acquisitions, Particularly in Emerging Markets.

From a strong foundation in mature markets (Western Europe and North America respectively), and some existing operations in selected BRICET regions (Latin America and Eastern Europe respectively), both companies are aiming to expand into other BRICET countries. For example, both bid for the same companies on several occasions: Ukrainian Kryvorizhstal and Turkish Erdemir (eventually acquired by OYAK, a Turkish industrial conglomerate).

In terms of growth by consolidation and expansion in developing regions, Mittal Steel has been a pioneer, acquiring over 20 companies of various sizes and activities, and in a variety of world regions, over the last 15 years (see details in Item 4D [Information on the Company Property, Plant and Equipment](#) of Mittal Steel's Annual Report on Form 20-F, incorporated by reference herein). As a result of these acquisitions, Mittal Steel has a strong presence in the United States, Central and Eastern Europe, Central Asia and Africa, and has now oriented its development towards Asia.

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Similarly, Arcelor has grown significantly through major acquisitions from 1984 to 2002, mainly in the European region (where it generates 77% of its revenues as the leading producer of crude steel, with 16% market share in 2004). Recently, Arcelor demonstrated its desire to grow in developed countries by acquiring Dofasco in February 2006 for \$4.7 billion, and has indicated a commitment to growth and consolidation in developing markets, particularly the BRICET countries. Arcelor's senior management recently stated the goal of increasing its crude steel production to 80 million tonnes over the next 10 years, emphasizing that growth would be targeted at lower cost regions abroad.

2. Mittal Steel and Arcelor are Committed to Similar Levels of Capital Investment.

Conscious of the capital intensity of the steel industry, Mittal Steel practices disciplined capital management. It seeks to make prudent and focused capital investments to enable operational improvements and to move up the value chain. This investment represents a commitment to maintaining its existing asset base at a competitive level of productivity and quality while growing capabilities in important geographic and market segments. Capital expenditure has increased with the company's growth from \$898 million in 2004 to \$1.2 billion in 2005 and a budgeted \$1.7 billion in 2006.

Arcelor has a comparable commitment to capital investment, investing 1.424 billion in 2004 and 2.07 billion in 2005 and a budgeted 2.1 billion for 2006. The increase from 2004 to 2005 can mainly be attributed to a 600 million development capital expenditure in Brazil (capacity expansion of 2.5 million tonnes per year). Other identified projects include capital projects to sustain operations as well as capacity expansions and investments to enable the industrial restructuring plans in Belgium.

In the main areas of carbon steel production, flat products and long products, capital investment rates in the two companies are broadly similar (\$21 per ton for Mittal Steel and \$25.6 per ton for Arcelor in 2004 - Source: Mittal Steel and Arcelor 2004 annual reports). Much of the difference on a per tonne basis is explained by the different geographies in which the capital was spent. Arcelor's investments were concentrated in the developed world where a larger proportion of the capital expenditure goes to labor.

3. The Combination of Mittal Steel and Arcelor (the Group) will be Highly Beneficial for Both Parties.

The combined entity will have a clear leadership role in serving global automotive customers.

A global footprint will be required to be a successful leader for global customers. The automotive industry, which represents 20% to 25% of steel output in mature markets, is the main end-market for high end-products. Automotive manufacturers in the U.S., Japan and Europe are becoming increasingly global and require their suppliers to provide them with the same quality standard products on a global basis.

The complementary footprint and product offering of Mittal Steel and Arcelor will give the Group a clear leadership position in the automotive industry. The Group will be an industry leader better able to serve U.S. and European auto manufacturers, and will enable the Group to match the more global offerings of leading suppliers of alternative materials such as aluminum and plastics.

R&D and product offerings are complementary.

Both Arcelor and Mittal Steel have the capabilities to produce innovative high-end products in partnership with customers. High-end products are steel products that require advanced and refined processes to match clients' specifications. They usually involve licensed processes and significant R&D investments. Since the most demanding clients are the automotive original equipment manufacturers (OEMs) and suppliers, steelmakers must be able to cooperate with auto manufacturers at the early stage of vehicle design to be competitive.

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Steelmakers must have R&D capabilities to drive innovation and growth. This is especially true in the automotive segment, where Mittal Steel has a leading position in the U.S., and Arcelor has a leading position in Western Europe. Steel once represented up to 75% of the car body structure, but has now fallen to 50%. Already, steelmakers have introduced lighter and more resistant steels (High Strength Steel), Ultra High Strength Steels (UHSS) and Advanced High Strength Steels (AHSS). UHSS and AHSS prices per sheet are higher than those of ordinary steel, but these steels actually help to reduce automobile manufacturing costs. For example, product development has helped the steel industry in the U.S. to regain lost market share for steel wheels at the expense of aluminum. In construction, product development and marketing efforts should capture latent demand given the different intensity of steel usage in construction around the world.

Arcelor has five R&D centers focused on flat carbon steel and four in stainless steel. Arcelor flat carbon steel research centers are addressing the industrial, packaging and automotive end-markets' challenges, and also investigating how to decrease OEM's manufacturing costs. The two R&D centers in Metz, France, and Asturias, Spain, are core knowledge centers dedicated to the development of fundamental metallurgical processes and product knowledge, as well as to cutting edge topics such as artificial intelligence and nanotechnology.

Mittal Steel has strong R&D expertise in both product development and manufacturing processes. Mittal Steel operates two primary R&D centers. One, located in East Chicago in the U.S., focuses on steelmaking and flat products. The other, in Gandrange, France, focuses on long products. The centers' activities include process technology development, the development of steels with special properties, and product research and application development. The Company is currently working on establishing a third R&D hub in the near future, the Central and Eastern European technical center, in Poland. This new facility will be focused on process research.

In Mittal Steel's vision, R&D centers have a dual role: acting as centers of excellence dedicated to specific products and processes, and supporting business units located in the same regions. This allows for specialization, while maintaining close proximity between R&D centers and production units.

R&D synergy between Mittal Steel and Arcelor. The expertise of both groups in the various applications and end-markets, along with the large R&D divisions of the Group in Europe and North America, can be combined to generate new leverage and market opportunities from the cross-sharing of experience. For example, production of Ultra High Strength Steels with low elongation developed in North America could be transferred to the Arcelor operations in Western Europe. Serving the needs of a larger, more diverse group of global customers would enhance the role of all the R&D centers. And the increased scale and diversity of technologies used and products made would provide additional opportunities for knowledge transfer. Here, the scale and diversity of operations would add impetus to efforts to improve energy efficiency, as well as the environmental profile of steel operations. Finally, fundamental product and process research would have a better return on investment as it would be applied across more operations. Centers of Excellence, which would specialize in unique kinds of expertise, would generate intellectual property that all R&D centers and business units could use. Both Mittal Steel and Arcelor R&D have partnerships with public institutions and universities. Mittal Steel expects that these partnerships will be enhanced in the future.

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Mittal Steel believes that the Group will be better able to absorb cyclical fluctuations in demand and to reduce volatility. Economic performance varies along the value chain. Extraction activity benefits from a consolidated market on the one hand, and raw materials' increasing scarcity on the other. As a consequence, leading ore miners have enjoyed higher margins than leading steel producers in recent years (Source: leading mining and steel companies' 2004 annual reports).

Extraction operations' performance depends on demand for raw materials which has grown with China's economic expansion. At the second stage of the value chain, steelmakers confront two major risks, increased raw material costs and tightening of supply.

Arcelor would benefit from Mittal Steel's proprietary access to raw materials and ability to optimize costs. (Production is expected to grow following recent acquisitions of mines.) Mittal Steel is one of the most self-sufficient steelmakers. Moreover, in 2004 Mittal Steel produced more DRI and coke than it consumed (1.7 million tonnes of excess DRI and 1.1 million tonnes of excess coke). Mittal Steel intends to invest in increasing its raw materials production, particularly in its major mines in the Ukraine and Liberia.

Arcelor has recently bid (unsuccessfully) for Kryvorizhstal (Ukraine) and acquired Dofasco (Canada). Both of these companies own major raw material assets.

The Group could improve regional raw material supply and will enhance Arcelor's sourcing strategy. Mittal Steel believes the combination of Mittal Steel's and Arcelor's operations would lead to improved, internally purchased raw material supply. For instance, Arcelor's Eisenhüttenstadt plant could be efficiently supplied by Mittal Steel's European mines. Arcelor's coastal upstream plants could be cost-effectively supplied by Mittal Steel's Liberian mines.

Arcelor's strong position in downstream distribution (A3S) would create benefits for both groups.

Arcelor's A3S distribution operations currently source externally 30% of the products it distributes, mainly in low-end products. Through its distribution and services capabilities, Arcelor sells steel produced by its own plants (70%) and steel bought from outside sources (30%). These external products are not available within Arcelor's group or are cheaper to source locally (vs. transporting them from Arcelor's plants).

Mittal Steel would be able to distribute its products through Arcelor's A3S division and to increase A3S intra-group sourcing, because its product lines and geographic footprint complement Arcelor's. That complementary footprint would enable the Group to source more internally, thereby reducing overall costs and increasing margins.

In addition, Arcelor has developed a strong expertise in custom steel solutions for the construction of major civil engineering, public works, and offshore projects through its subsidiaries Arcelor Projects and Paul Wurth. These subsidiaries would benefit from an extended portfolio of solutions and products, from the new group's increased R&D support and from an expanded network across the world.

The geographical range of the two groups is highly complementary.

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The Group will operate 61 plants in over 27 countries. Arcelor is a leading producer in the Western European market, and has a strong position in South America. Mittal Steel's locations are complementary, with a leading position in the North American region, and strong footprints in Eastern Europe and Africa.

The combination will enable each group to fill its respective geographical gaps, and to join forces to develop in Asia (China and India), which is their shared future strategy. On top of this, both groups will benefit from their respective alliances.

The combination will redefine the industry.

The Group will be a global leader with a capacity of approximately 130 million tonnes, a production of 106 million tonnes and shipments of 97 million tonnes on a 2005 pro forma basis (including ISG and Mittal Steel Kryviy Rih on a full year basis but excluding synergies). On an actual 2005 basis (i.e. including ISG since April 15, 2005 and Mittal Steel Kryviy Rih since November 26, 2005), the production is 95 million tonnes and shipments are 87 million tonnes.

Pro forma 2005 revenues amount to roughly \$72 billion.

The Group will have a production 3.4 times that of its nearest competitor, which comparatively provides the Mittal Steel-Arcelor combination with the financial strength and ample resources.

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On a 2004 pro forma basis, approximately 56% of sales were generated in Europe, of which 45% were located in Western Europe and 11% in Eastern Europe. Other sales were located in North America and Mexico, which represented 27% of total sales. South America represented around 4%, while Asia and Africa accounted for 13% of revenues. On a 2005 pro forma basis, approximately 57% of sales were generated in Europe, 32% in the Americas and 11% in Asia & Africa.

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2005 Shipments Breakdown per Region

2005 Shipments Breakdown per Product Type

Within the 2005 pro forma shipments of 87 million tonnes, flat products account for 68%, long products for approximately 27% while stainless products and pipes & tubes represent only 2% and 3% respectively.

On a 2005 pro forma basis, the Group will count approximately 320,000 employees, of which 65% will be located in Europe, 13% in the Americas and 22% in Asia and Africa.

The combination of Mittal Steel and Arcelor will have excellent prospects for continued expansion through both internal growth and further acquisitions.

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Mittal Steel believes that no other possible large combination would be as beneficial to Arcelor, allowing it to achieve such size, synergies and other advantages so quickly. In Mittal Steel's view, potential targets in Europe and North America lack a strong presence in emerging markets and those in Asia and other regions lack global reach.

In sum, Mittal Steel believes that the combination will create a global industry leader, with unprecedented scale and growth opportunities and the opportunity to increase its technological advantage by strengthening its R&D to better focus on its customers' needs. Mittal Steel-Arcelor will be a leader in the automotive and domestic appliances industries. The Group will be able to bolster this strong product offering by deepening business relationships with its customers through a state-of-the-art global distribution network.

On the cost side, the global presence will allow further optimization of industrial operations. Mittal Steel's access to low cost production sites, as well as to mining assets will afford some protection against fluctuations in raw material costs. In addition, the Group can realize significant synergies without major disruptions (see "Synergies" below).

Finally, as a result of Mittal Steel's strong presence in emerging countries, Arcelor's position in South America and the Group's prospective ability to invest heavily in China and India, Mittal Steel believes that the Group will be able to take advantage of many of the world's strongest growth opportunities.

Mittal Steel's Strategy for the Group.

Mittal Steel's strategy for the Group is based on the following objectives:

Use a strong position in high-end products in mature economies (in the automotive, electrical appliance, and packaging sectors) to build a global customer platform and capture future growth in BRICET countries;

Achieve cost leadership;

Maintain a high level of vertical integration along the entire value chain to hedge against raw material price fluctuations and to manage distribution in selected geographic regions; and

Accelerate growth in BRICET countries to build a strong market position in developing economies worldwide, with the goal of significantly increasing global market share over the next ten years.

1. Use of a Strong Position in High-End Products in Mature Economies (in the Automotive, Electrical Appliance, and Packaging Sectors) to Build a Global Customer Platform and Capture Future Growth in BRICET Countries.

Mittal Steel believes that, together, Mittal Steel and Arcelor will have a very strong position with high-end customers. As noted above, customers for high-end applications, which are primarily based in mature economies, are becoming increasingly global and value suppliers' ability to deliver the same products everywhere. Automotive manufacturers, for example, can significantly reduce the cost of developing moulds if they can use the same grades of steel in all of their plants. Mittal Steel and Arcelor are well positioned to capture market share in mature economies through their presence in North America and Western Europe and their scale in R&D, which will allow them to invest and innovate faster to meet customer needs.

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Mittal Steel and Arcelor must accompany their customers in emerging markets. Automotive, electrical and appliance manufacturers are expanding capacities in developing countries to serve rising local demand. The quality and service requirements of these customers in developing economies will quickly catch up with their current standards in mature economies. Mittal Steel and Arcelor are well positioned to serve this market. Their current combined presence in Brazil, in Eastern Europe, in Africa, and Central Asia as well as their prospective presence in China and India, make the Group the natural partner of automotive and electrical appliances manufacturers growing in emerging economies.

Mittal Steel believes that no other steel company in the world will have a similar reach. Steel companies in developing economies generally do not possess the know-how and technology to serve sophisticated customers such as automotive manufacturers. Other steel companies in developed economies lack a truly global footprint in mature economies combined with a growing presence in developing economies. The Mittal Steel and Arcelor combination will be well positioned to leverage their developed world product capabilities with its operations in the developing economies as the market needs develop.

In terms of industrial implications for the Group, Mittal Steel will remain committed to high-end products and will therefore maintain and reinforce the advanced R&D capabilities of both groups. In line with Arcelor's plans, European R&D centers will become global centers of excellence. Furthermore, Mittal Steel expects that the Group will maintain, and indeed strengthen, its R&D links with research institutes and universities located near these European centers of excellence. The objective is to generate growth for the Group on a global basis. This is quite different from the previous European mergers, which aimed primarily at reducing overcapacity in Europe.

2. Achieve Cost Leadership.

Cost leadership is essential to ensure profitability throughout the economic cycle. Mittal Steel and Arcelor both pursue the goal of continental or global cost leadership. This will continue to be a driving force for the Group. Mittal Steel believes that the combination of Mittal Steel and Arcelor will result in synergies that will improve the overall cost position of both groups.

Purchasing savings will amount to \$600 million per year by 2009. They will be achieved through leveraging the combined size of the Group to negotiate better prices and reduced expenditures, particularly in raw materials.

Marketing and trading synergies will generate \$200 million per year within three years. This will be achieved by cross-selling through each other's distribution networks and by optimizing the flow of semi-finished products. This will allow the Group to absorb unused capacities, free-up other capacities and remove bottle-necks in its overall supply chain.

Best-practice sharing will accelerate each group's continuous improvement plans and generate an additional annual savings of \$200 million over three years. Process optimization is expected to generate savings through increased production runs and reduced change-over times. No additional asset moves will be required to achieve this.

Mittal Steel expects capital expenditure to be more efficient in the Group. Some capital expenditure duplication will be avoided. This will liberate resources to fund other investments. Examples of capital expenditure optimization opportunities include the development of a distribution and service center network in Central and Eastern Europe.

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The industrial implications of cost leadership will not be disruptive and will complement the existing improvement plans of each organization. Mittal Steel expects to implement Arcelor's existing restructuring plans in Europe. Mittal Steel is aware of four rationalization initiatives that Arcelor is pursuing or intends to pursue in Western Europe (carbon steel only) and subscribes to each of them. Mittal Steel will broadly follow the current plans, honoring all of Arcelor's social commitments. Mittal Steel does not see a need for further re-structuring in Europe beyond current Arcelor plans.

Mittal Steel's own cost improvement plans will continue. These include implementation of strategic investments and productivity improvement in Central and Eastern Europe, Asia and Africa, capturing of synergies from the ISG merger in the United States, and improvements at Kryviy Rih. These improvements will be supported by the Group's access to raw material.

With respect to Arcelor's stainless steel facilities, Mittal Steel will review a range of options based on their structural cost-competitiveness. In general, Mittal Steel's strategy with all of its product lines is to become the world's leading producer. In the case of flat stainless steel, Mittal Steel will review whether Arcelor's assets provide the right platform for this objective. In its review of this sector, Mittal Steel will review a wide range of options and believes that under Mittal Steel's ownership, the range of options open to the stainless sector will be enlarged. For example, when Mittal Steel purchased Unimetal, a long products company that was not profitable, from Usinor in 1999, Mittal Steel was able to make selective investments, improve performance and return it to profitability.

Mittal Steel plans to continue to invest in Western European carbon steel plant productivity, in order to ensure long-term cost competitiveness through sustained investment, consistent with Arcelor's past practices. Examples of planned investment projects that Mittal Steel plans to continue include:

Dunkerque, France, where Arcelor has announced plans to build a center of excellence for the automotive industry with an investment program including a new dedicated galvanization line in Mardyck, France, and ambitious revamping and renovation initiatives of blast furnaces and continuous casters in Dunkerque.

Fos-sur-Mer, France, where the replacement of a slab caster with a more up-to-date system will increase overall capacity and productivity at the site by 2007.

Zaragoza, Spain, where Arcelor intends to double production in a new facility by 2007.

In general, Mittal Steel expects the Group to continue to invest in world-class low cost slab capacity. Both groups have plans to expand low-cost slab making facilities. Arcelor intends to increase slab capacity in Brazil in order to cover a slab short-fall in Europe following a restructuring. Mittal Steel intends to increase its slab capacity in Mittal Steel Kryviy Rih (Ukraine), South Africa and Kazakhstan. These plants are already very competitive as a result of direct access to raw materials and low energy and labor costs. The combined entity will continue this strategy to the benefit of its plants in Europe, all of which will have access to low cost slabs.

3. Maintain a High Level of Vertical Integration along the Entire Value Chain to Hedge against Raw Material Price Fluctuations and to Manage Distribution in Selected Geographic Regions. Mittal Steel Believes that Integration Brings Numerous Benefits.

Upstream integration allows steel companies to hedge against raw material price fluctuations. Mittal Steel's strategy is to be highly vertically integrated through captive access to iron ore mining, coke production, and DRI production.

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Downstream integration allows steel companies to capture a greater share of value-added activities, particularly for high-end customers (such as automotive manufacturers) that tend to outsource more and more operations. It also puts steel makers more in touch with their end-markets and allows them to benefit from better marketing intelligence. Finally, in the downswing of an economic cycle, captive distribution channels provide a buffer against volume decreases. This is particularly true in Europe, where steel makers tend to own distribution channels.

The Group will follow a strategy of upstream and downstream integration, where market conditions make that an attractive option. Mittal Steel expects to pursue a strategy of upstream integration, which will benefit Arcelor.

In Eastern Europe, Mittal Steel expects the Group to aggressively expand its distribution and steel service network, but with a higher capital efficiency due to avoidance of duplication of investment. In other parts of the world, Mittal Steel will carefully review the benefits of being present in distribution and leverage Arcelor's experience in distribution to make selective acquisitions and pursue organic growth.

4. Accelerate Growth in BRICET Countries to Build a Strong Market Position in Developing Economies Worldwide, with the Goal of Significantly Increasing Global Market Share over the Next Ten Years.

Mittal Steel expects that worldwide growth in steel demand will be driven largely by developing economies, and particularly the BRICET countries. The combined operations of Mittal Steel and Arcelor will give the Group a strong presence in Brazil, Eastern Europe, and Africa. These countries, and Turkey, are a key area for growth for the Group.

The Group will not yet, however, have a significant presence in India or China. In 2010, it is estimated that India and China will account for close to 40% of total world steel consumption (Source: World Steel Dynamics, Global Steel Products Matrix - forecasts to 2015, March 2005). It is therefore a priority for the Group, as it is for each group individually, to establish a strong presence in these two countries.

The combination of Mittal Steel and Arcelor will facilitate and accelerate growth in BRICET. Each company already has stand-alone plans to grow in developing countries and would also likely pursue additional growth opportunities in BRICET in the coming years (through acquisitions, joint ventures and start-up, greenfield projects). Joint development, however, will be faster and yield greater returns. Arcelor's track record of growth outside Europe is limited to Brazil. By contrast, Mittal Steel has grown chiefly through acquisitions and has developed significant capabilities in evaluating, planning, negotiating and executing large international projects. Arcelor could greatly benefit from this expertise.

Moreover, by uniting to bid for the same assets, Mittal Steel and Arcelor will improve their chances of success. With a larger presence in individual BRICET countries, the Group would also reap the benefits in distribution and customer service, and also better optimize logistics. Given the larger size and more global geographic footprint of the Group, geographic expansion would present a lower degree of risk. It is uncertain whether each group individually could achieve a significant presence in BRICET countries. Together, this goal is much more likely to be achieved.

In order to implement its strategy Mittal Steel aims to build a world-class organization, relying heavily on Arcelor's existing organization and employees.

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Implications of Mittal Steel's Strategy in Western Europe.

Employment.

Mittal Steel anticipates no negative impact on the overall level of employment in Western Europe as a result of the combination. Unlike most acquisitions where there are significant overlaps in operations and the realization of synergies depends on reducing or eliminating such overlaps, in this case there are virtually no overlaps. The two organizations are almost entirely complementary.

Moreover, a detailed review of current plans may lead to increased employment in key R&D and management functions, as well as possible delays in the implementation of selected upstream site closures.

The only social restructurings foreseen are those already announced by Arcelor and provided in current Arcelor plans. As stated above, Mittal Steel plans to implement these restructuring plans. Mittal Steel will fully respect all social commitments made by Arcelor.

Mittal Steel intends to provide for employee representation on the Board of Directors of Mittal Steel and the practice of European works council will be maintained.

R&D.

The role of R&D will be enhanced, with European centres becoming global centres of excellence, which will then be able to leverage their experience over a larger organization. The current level of R&D spending will be maintained, and possibly raised as the overall size and scope of the business increases. Existing links with local universities and research institutes will also benefit from the increased role of European R&D centres as global centres of excellence.

Investments.

Mittal Steel will continue to invest to maintain the high level of performance of current facilities. Duplication of capital expenditure in Central and Eastern Europe distribution and steel service centres will be avoided. This will lead to greater capital efficiency, with savings to be re-invested in other value-creation activities.

Synergies.

Mittal expects to realize synergies of at least \$1 billion before taxes (1.5% of combined pro forma sales in 2005) within three years of the combination from three sources: purchasing: about \$600 million, marketing and trading: about \$200 million and manufacturing and process optimization: about \$200 million.

Regarding the expected purchasing savings of about \$600 million, Mittal Steel estimates that the total annual purchasing expense of the Group is currently approximately \$48 billion, including raw materials (scrap, various metals, and iron ore), maintenance, repairs and operations (MRO) (maintenance services, production subcontracting, spare parts, and steel consumables), logistics, energy, investment, semi-finished goods and general expenses. Synergies are expected in the categories of expenses where Arcelor and Mittal Steel could potentially share suppliers. This excludes very local categories (e.g., energy, general expenses, some logistics and MRO costs) and categories in which Mittal Steel does not purchase significant quantities (e.g., nickel and chrome that Arcelor purchases to make stainless steel). The \$600 million savings estimate is based on a category-by-category review of such potentially shared suppliers.

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With respect to marketing and trading synergies, which Mittal Steel estimates at about \$200 million annually, the main sources of these synergies are savings on distribution costs, better capacity utilisation of Arcelor's distribution network via additional volumes, and cross product flows between the two companies. It estimates that approximately 50% of this volume could be sold through Arcelor's distribution and trading network, saving fees on the order of 3% on the value of the trade. Cross product flows within the combined group are estimated to be of the order of 2 to 4 million tonnes per annum, providing additional synergy potential.

The estimated savings of \$200 million from manufacturing and process optimization are expected to result from manufacturing process improvements and yield gains, which will provide savings on raw materials and energy consumption, and productivity gains relating to higher throughput rates and better sequencing rates, which will improve asset utilization. Based on its experience with other combinations, most recently the integration of ISG, Mittal Steel expects these benefits to result from a sharing of knowledge and experience between the organizations and from increased specialization of production facilities within the Group.

The costs of implementing these synergies are estimated to be insignificant, since they require no restructuring or redundancies.

Regarding the prospective resale of Dofasco to ThyssenKrupp, there are not currently any particular costs of resale, as Mittal Steel has already entered into a binding agreement for such resale. Following consummation of the resale, Mittal Steel will compensate Arcelor for the difference between the price paid by Arcelor for Dofasco's shares (C\$71 per share) on the one hand and the price agreed by ThyssenKrupp (the euro equivalent of C\$68 per share) plus earnings received by Arcelor, on the other hand.

In addition to the above synergies, Mittal Steel's upstream integration in iron-ore mining, coal mining and coke production will provide natural hedging for the entire Group. Because steel producers cannot fully adjust their prices to reflect their costs, their margins suffer from volatility. Mittal Steel's upstream integration and access to iron-ore and coal mining, coke and DRI production, and shipping would provide a natural hedge against this risk.

Finally, in the medium term, Mittal Steel expects further benefits, which have not yet been quantified, to accrue through ongoing knowledge sharing. These will arise from general economies of scale, further cost savings, better distribution, more efficient use of capital, increased investment in R&D and faster innovation, and other factors.

Governance and Management.

Principles.

Mittal Steel firmly believes that the strength of the Group will lie in the culture and principles that will unify all employees. Success will come from a shared vision of building the world's most admired steel institution. Mittal Steel's corporate culture is based on a spirit of entrepreneurship, diversity and, most importantly, respect for employees and seeks to promote the qualities of openness, expertise, reliability and innovation. The Company has a non-hierarchical structure, especially designed to encourage managers at all levels to think entrepreneurially, to make decisions in the best interests of the Company, to take responsibility and to support one another in all efforts to continually improve the company. Mittal Steel believes that Arcelor shares these values.

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As noted above, the operational overlap between Arcelor and Mittal Steel is limited, which creates a unique opportunity to build upon the strengths of both organizations. Accordingly, the combination is not expected to result in a reduction in employment levels. Rather, the combination will provide a strong platform for growth, which will provide ongoing employment opportunities globally. The specifics of a new organizational structure for the Group will need to be developed with senior management of both groups, taking time to ensure that the outcome respects the principles above, delivers the utmost level of service to customers, and deploys the Group's talent and facilities to their fullest.

No decision has yet been made with respect to the allocation of management responsibilities within the Group. Mittal Steel will allocate management responsibilities on the basis of the best available talent within Mittal Steel and Arcelor, and the current expectation is that a substantial number of management positions in the Group will be allocated to current members of Arcelor's management.

Both in general and in relation to the workforce, Mittal Steel will continue to employ best practices across the organization to ensure excellence in health and safety, social responsibility, cultural diversity, and the continuing improvement of the environment. Mittal Steel is convinced that its employees make up the heart of the organization and it is only by stimulating and harnessing the talents of each and every individual towards the common goals of the business that success will be created. The bringing together of teams of people with diverse backgrounds, skills and abilities is what has made Mittal Steel distinctive and highly successful. The combination with Arcelor gives immediate access to an even greater talent pool and new and innovative ways of conducting business. The combined organization will have a sustainable future and therefore sustainable employment in the competitive world of steel.

Capital Markets Position of the Group.

The combination of Mittal Steel and Arcelor will form the largest company in the steel industry by market capitalization. The pro forma market capitalization of the combined entity will be approximately 35 billion (approximately \$43 billion), calculated by adding the stand-alone market capitalization of Mittal Steel and Arcelor as of February 24, 2006. (Mittal Steel's market capitalization has been calculated on the basis of a share price of 28.36 per share multiplied by 705.5 million outstanding shares. Arcelor's market capitalization is based on a share price of 29.74, calculated on the basis of the Offer terms (0.8 multiplied by the Mittal Steel share price of 28.36, plus 7.05 of cash), multiplied by 656.9 outstanding shares.)

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Pro Forma Mittal Steel and Arcelor vs. Other Steel Companies

The Group will form the largest group
in the steel industry by market capitalization

Equity market capitalisation (bn)

Source: Bloomberg (24-Feb-2006)

With a pro forma market capitalization of about 35 billion (approximately \$43 billion), the Group will become one of the flagship industrial companies in Europe. Ranked by market capitalization, it will be the 12th largest company on Euronext Paris.

Pro Forma Mittal Steel /Arcelor vs. Other Leading Companies

The Group will rank among the largest industrial companies
in terms of market capitalization

Equity market capitalisation (bn)

Source: Bloomberg (24-Feb-2006)

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The Group will be listed on five of the leading stock exchanges in Europe: Euronext Amsterdam, Euronext Brussels, Euronext Paris, the Luxembourg Stock Exchange and the Spanish Stock Exchanges, as well as on the NYSE. Mittal Steel believes that this will provide good access to the capital markets, enhanced profile with investors and a high level of liquidity for trading of the Company's shares.

The following table presents an analysis of the liquidity of Mittal Steel shares both prior to the announcement of the Offer and after completion of the Offer. Four scenarios are presented based on different assumed Offer acceptance levels: 100%, 50%, 33% and 25% (the latter two assuming a waiver of the 50% Minimum Tender Condition).

	Arcelor (pre-offer)	Mittal (pre-offer)	New Mittal (post-offer)	New Mittal (post-offer)	New Mittal (post-offer)	New Mittal (post-offer)
Overall level of acceptances from Arcelor shareholders			100%	50%	33%	25%
Number of Shares (in millions of shares)						
Total shares outstanding	614.2	704.1	1231.2	967.6	878.0	835.8
Free float shares	527.8	80.5	538.5	309.5	231.6	195.0
ADTV* (in millions of shares) ⁽¹⁾						
1 month ADTV ⁽²⁾	3.97	1.23	4.68	2.95	2.37	2.09
3 months ADTV ⁽³⁾	4.31	1.17	4.90	3.03	2.40	2.10
6 months ADTV ⁽⁴⁾	4.68	1.05	5.12	3.08	2.39	2.07
12 months ADTV ⁽⁵⁾	5.15	0.97	5.45	3.21	2.45	2.09
ADTV* as a percentage of total shares outstanding						
1 month ADTV ⁽²⁾	0.65%	0.17%	0.38%	0.31%	0.27%	0.25%
3 months ADTV ⁽³⁾	0.70%	0.17%	0.40%	0.31%	0.27%	0.25%
6 months ADTV ⁽⁴⁾	0.76%	0.15%	0.41%	0.32%	0.27%	0.25%
12 months ADTV ⁽⁵⁾	0.84%	0.14%	0.44%	0.33%	0.28%	0.25%
ADTV* as a percentage of free float						
1 month ADTV ⁽²⁾	0.75%	1.53%	0.87%	0.95%	1.02%	1.07%
3 months ADTV ⁽³⁾	0.82%	1.45%	0.91%	0.98%	1.04%	1.08%
6 months ADTV ⁽⁴⁾	0.89%	1.31%	0.95%	1.00%	1.03%	1.06%
12 months ADTV ⁽⁵⁾	0.98%	1.21%	1.01%	1.04%	1.06%	1.07%

* Average daily trading volume based on data from Bloomberg

(1) Includes all listings with available volume information

(2) December 26, 2005 to January 26, 2006 (inclusive)

(3) October 26, 2005 to January 26, 2006 (inclusive)

(4) July 26, 2005 to January 26, 2006 (inclusive)

(5) January 26, 2005 to January 26, 2006 (inclusive)

(6) Includes all listings with available volume information

(7) December 26, 2005 to January 26, 2006 (inclusive)

(8) October 26, 2005 to January 26, 2006 (inclusive)

(9) July 26, 2005 to January 26, 2006 (inclusive)

(10) January 26, 2005 to January 26, 2006 (inclusive)

This analysis is based on the following assumptions:

(i) Arcelor treasury shares are not tendered in the Offer;

(ii)

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all Convertible Bonds and all Arcelor and Usinor stock options (granted prior to February 6, 2006) are exchanged for Arcelor newly issued shares;

- (iii) Arcelor's free float represents 572.6 million shares (based on the total number of outstanding Arcelor shares as of February 6, 2006 of 614.2 million (excluding 25.6 million

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treasury shares) and 658.9 million shares on a fully-diluted basis (taking into account Arcelor shares underlying the outstanding Convertible Bonds on February 6, 2006 and the Arcelor and Usinor stock options granted prior to February 6, 2006, *i.e.*, 40 million shares and 4.7 million shares, respectively, and excluding 25.6 million treasury shares), with the Luxembourg State holding 35.8 million shares, Corp JMAC holding 22.4 million shares, the Walloon Region (through Sogepa S.A.) holding 15.4 million shares and Arcelor employees holding 12.8 million shares);

(iv) Mittal Steel's free float represents 80.4 million shares (based on the total number of outstanding Mittal Steel shares (excluding shares held in treasury by Mittal Steel) of 704.0 million shares (including 246.6 million outstanding Mittal Steel class A shares and 457.5 million outstanding Mittal Steel class B shares), with the Controlling Shareholder holding 623.3 million shares);

(v) former Arcelor shareholders trade Mittal Steel shares at the same level (in terms of number of shares per day) as they traded Arcelor shares prior to January 27, 2006, the date of the announcement of the Offer; and

(vi) Mittal Steel shareholders trade at the same level (in terms of number of shares per day) as they did prior to January 27, 2006. Based on published criteria, Mittal Steel believes that, following the transaction, Mittal Steel can be expected to be included in a number of stock market indices, including the CAC 40 and SBF 120. Currently, Arcelor's weighting in the CAC 40 is 1.7%, and in the SBF 120 is 1.8%. Following the transaction, the weighting of the Group in these indices would increase, making the stock more attractive to stock index tracking funds. Mittal Steel believes that other funds would also increase their position in the stock to reflect the increased weighting in the indices.

Mittal Steel intends to provide attractive returns to its investors by adopting a dividend policy to distribute 25% of after-tax income over the course of the steel industry business cycle. (Dividends in individual years may be higher or lower depending on circumstances.) Mittal Steel believes that this dividend policy preserves the financial flexibility to invest in capital expenditures, R&D and acquisitions.

Approach to Integration.

Both Mittal Steel and Arcelor have substantial experience in integrating acquisitions. Over the past 15 years, Mittal Steel has integrated more than 20 companies to create an integrated international network of operations, beginning with Iron & Steel Co. of Trinidad & Tobago in 1989, and ending with Kryvorizhstal (Ukraine) in 2005. Arcelor itself is the result of numerous transactions, in particular the three-way merger of Aceralia, Arbed and Usinor in 2002.

Mittal Steel's philosophy toward integration is based on following best practices and learning from each and every unit where those practices are found. Mittal Steel has shown, for example, in the ISG integration, that its approach respects the contributions and leadership capabilities of acquired companies' staff. A requirement of any new business partnership is ensuring that employees have a clear understanding of the overall business plan and are fully on board with the business objectives of the group. This set of objectives would be developed together with Arcelor management teams and reflect input from representatives in all areas of both organizations.

The governing principle for the integration of Arcelor will be to carefully identify the best talent from both companies and the organizational structure that would best serve the customers and markets in

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which Mittal Steel operates. As such, when it comes to talent Mittal Steel is committed to a true merger of equals, in which the new company not only retains but builds upon the wealth of talent residing in both Arcelor and Mittal Steel. Taking the time to identify the best model and the best people is possible because of the complementary and limited overlap of the customer segments and geographies that Arcelor and Mittal Steel currently serve. This reduces the complexity of integration.

The first stage of the integration process would be to form an integration leadership team. This team would oversee combined working groups that would identify operational synergies in key areas. Each team would develop a working plan and timetable of activities. The focus of activities would be on value creation. Teams would be expected to identify and set ambitious targets based upon the opportunities and benchmarks. The focus on outcomes and an accelerated timetable helps the teams to integrate faster. Mittal Steel's recent experience from the integration of the ISG operations in North America indicates that these teams can identify opportunities, prepare action plans and commence implementation expeditiously.

Intentions of Mittal Steel

Intentions regarding Corporate Governance for the Group

General: Board Composition

Mittal Steel is committed to maintaining the best international corporate governance practices for the Group. Practices in this regard currently in place at Mittal Steel principally include the following: a majority of independent directors on its Board of Directors; clearly established criteria for independence in line with applicable NYSE listing standards, Sarbanes-Oxley Act requirements and the Dutch Corporate Governance Code; Audit, Nomination and Remuneration Committees comprised solely of independent directors with written charters published on Mittal Steel's website; a code of conduct for Mittal Steel and its worldwide operations; and a whistleblower process in which reports or complaints are sent directly to the Chairman of the Audit Committee.

In order to remain in full compliance with evolving corporate governance requirements of the SEC, NYSE, Dutch law and the Dutch Corporate Governance Code, Mittal Steel will continue to monitor closely new and proposed regulations or best practice provisions and will make adjustments to its corporate governance as necessary to remain in compliance with these requirements.

Mittal Steel intends to continue, following the successful completion of the Offer, its policy of having a majority of independent directors on its Board of Directors. As per the criteria set forth by Mittal Steel's Board of Directors, directors will be considered independent if they do not have a material relationship with Mittal Steel. Mittal Steel's Board of Directors currently consists of nine directors, five of whom are independent under Mittal Steel's independence criteria as well as under the independence definition in the NYSE listing standards (based on the Sarbanes-Oxley Act provisions) and the Dutch Corporate Governance Code.

In addition, Mittal Steel intends to reflect the Group's increased size and expanded European dimension by appointing additional independent directors. A number of these additional independent directors will be nominated for appointment to the Board of Directors upon the recommendation of the Group's employees.

All directors, including the independent directors, on Mittal Steel's Board of Directors, have, as a matter of Dutch law, a duty to act in the interests of the Company and its stakeholders, which includes its employees and creditors. Independent directors cannot solely take into account the interests of one group of stakeholders (e.g., minority shareholders or employees).

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In addition, while the holders of Mittal Steel class B common shares may nominate directors for appointment to the Board of Directors and have the voting power to ensure their election, Mittal Steel follows a philosophy of an "open board" in which all directors are able to express their views on any matter for the Board's discussion. Moreover, all directors have the right to seek independent advice from outside advisers at Mittal Steel's expense for due discharge of their responsibilities.

Finally, as noted above, the Board of Directors has and will continue to have three committees: an Audit Committee, a Nomination Committee and a Remuneration Committee. All members of these three committees are and will continue to be independent directors.

Reduction of Voting Rights Attached to the Class B Common Shares

Since Mittal Steel's shareholder base will change significantly as a result of the transaction, the Controlling Shareholder has undertaken, conditional upon the closing of the Offer and the exchange of New Mittal Steel Shares for Arcelor shares pursuant thereto, to reduce the multiple voting rights attaching to its class B common shares from ten to two voting rights per class B common share. The Controlling Shareholder would, however, retain the absolute majority of voting rights in Mittal Steel and remain in control of Mittal Steel. It is possible that the Controlling Shareholder's economic and voting interest in Mittal Steel will be further reduced in the future, *e.g.*, if further acquisitions are financed with newly-issued Mittal Steel class A common shares.

Post-Offer Shareholding

The following tables show, on the basis of share ownership information as of December 31, 2005, the evolution of the number of Mittal Steel shares held by the Controlling Shareholder and other categories of Mittal Steel shareholders, as well as the percentages of Mittal Steel share capital and voting rights that these shares represent, based on four different levels of acceptance of this Offer by Arcelor securityholders, and assuming that the multiple voting rights attaching to all of the class B common shares (which class of shares is exclusively held by the Controlling Shareholder) will be reduced from ten to two voting rights per class B common share:

Table of Contents**Assuming 100% Acceptance by Arcelor Securityholders**

	Number of	Number of			
	Class A	Class B		% of	% of
	Common	Common		Share	Voting
	Shares	Shares	Total	Capital	Rights
Controlling Shareholder	166,074,790	457,490,210	623,565,000	50.4	63.8
Treasury stock	28,638,842		28,686,175		
Other Current Mittal Steel Shareholders	81,137,266		81,089,933	6.6	4.8
Former Arcelor Security holders	522,539,067		522,539,067	42.3	30.9
Former Mittal Steel and Arcelor Option holders	8,836,365		8,836,365	0.7	0.5
Total	807,226,330	457,490,210	1,264,716,540	100	100

Assuming 75% Acceptance by Arcelor Securityholders

	Number of	Number of			
	Class A	Class B		% of	% of
	Common	Common		Share	Voting
	Shares	Shares	Total	Capital	Rights
Controlling Shareholder	166,074,790	457,490,210	623,565,000	56.5	69.2
Treasury stock	23,526,536		23,573,869		
Other Current Mittal Steel Shareholders	81,137,266		81,089,933	7.3	5.2
Former Arcelor Security holders	391,904,300		391,904,300	35.5	25.1
Former Mittal Steel and Arcelor Option holders	7,891,600		7,891,600	0.7	0.5
Total	670,534,492	457,490,210	1,128,024,702	100	100

Assuming 50% Acceptance by Arcelor Securityholders

	Number of	Number of			
	Class A	Class B		% of	% of
	Common	Common		Share	Voting
	Shares	Shares	Total	Capital	Rights
Controlling Shareholder	166,074,790	457,490,210	623,565,000	64.1	75.6
Treasury stock	18,414,229		18,461,562		
Other Current Mittal Steel Shareholders	81,137,266		81,089,933	8.3	5.7
Former Arcelor Security holders	261,269,534		261,269,534	26.9	18.3
Former Mittal Steel and Arcelor Option holders	6,946,836		6,946,836	0.7	0.5
Total	533,842,655	457,490,210	991,332,865	100	100

Assuming 25% Acceptance by Arcelor Securityholders

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	Number of	Number of			
	Class A	Class B		% of	% of
	Common	Common		Share	Voting
	Shares	Shares	Total	Capital	Rights
Controlling Shareholder	166,074,790	457,490,210	623,565,000	74.1	83.2
Treasury stock	13,301,923		13,349,256		
Other Current Mittal Steel Shareholders	81,137,266		81,089,933	9.6	6.2
Former Arcelor Security holders	130,634,767		130,634,767	15.5	10.1
Former Mittal Steel and Arcelor Option holders	6,002,071		6,002,071	0.7	0.5
Total	397,150,817	457,490,210	854,641,027	100	100

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Intentions regarding Corporate Governance for Arcelor

Mittal Steel will revise the structure and composition of the Board of Directors of Arcelor to a greater or lesser extent depending on the level of Mittal Steel's shareholding in Arcelor following completion of the Offer. Mittal Steel's representation on Arcelor's Board of Directors will be proportional to its shareholding. So long as Mittal Steel and Arcelor remain separate legal entities, Mittal Steel intends that there would be a significant number of independent directors on Arcelor's Board of Directors.

For so long as Arcelor remains a listed subsidiary, Mittal Steel does not foresee making substantial changes to Arcelor's bylaws, other than deletion of the mandatory bid provision that will become unnecessary upon the implementation of Directive 2004/25/CE on Takeover Bids in Luxembourg.

Intentions regarding Workforce and Management

See Rationale of the Offer Implications of Mittal Steel's Strategy in Western Europe Employment and Rationale of the Offer Governance and Management.

Intentions regarding Corporate Restructuring

Mittal Steel is analyzing various options to streamline the structure of the post-acquisition Group such as the merger of Mittal Steel into Arcelor, the merger of both Mittal Steel and Arcelor into a new holding company (whether or not in the form of a European Company (SE)), and the transfer of Mittal Steel's seat, head office or corporate and/or operational headquarters to Luxembourg.

Mittal Steel will make its determination as to the precise structural measures to be implemented based on discussions with the Luxembourg authorities on legal, tax, listing and operational matters, and an analysis of information relating to Arcelor (to which it will have access only with the cooperation of Arcelor management or following completion of the Offer). Mittal Steel plans to have such discussions with the Luxembourg authorities as soon as possible. Irrespective of the structural option chosen, it is envisaged that significant Group headquarters functions will migrate to Luxembourg.

Intentions regarding Minority Buy-Out and Delisting

It is Mittal Steel's intention to acquire all of Arcelor's outstanding shares. Should any shares remain outstanding after completion of the Offer, Mittal Steel will consider possible options to attain ownership of all of Arcelor's share capital, including through any available compulsory buy-out procedure, merger or other corporate reorganization. Although no such compulsory buy-out procedure is currently available under Luxembourg law, it is expected to become available upon the implementation of Directive 2004/25/CE on Takeover Bids in Luxembourg.

Depending on the level of success of the Offer, Mittal Steel will also consider whether to maintain any of Arcelor's stock exchange listings. Mittal Steel would likely seek to delist Arcelor's shares if the public float and trading volume following completion of the Offer is low. Such delisting would require the approval of the stock exchange regulatory authorities in Belgium, France, Luxembourg and Spain, and would be effected in a coordinated manner among these jurisdictions.

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Intentions regarding Arcelor stock options

Mittal Steel has not had access to important information relating to Arcelor's stock option plans and employee shareholding plans, if any, including the terms of these plans. If this Offer is consummated, Mittal Steel will determine the treatment of stock options (including Arcelor stock subscription options and Usinor stock subscription options whose beneficiaries are entitled to exchange their Usinor shares for Arcelor shares) and of Arcelor shares held in any Arcelor employee shareholding plan, in each case in accordance with the terms of these plans, that could not be tendered in the Offer.

Contemplated Dividend Policy

It is envisaged that the Group will adopt a policy of distributing circa 25% of its net income to its shareholders over the course of the steel business cycle. Mittal Steel will review and potentially revise the policy if the business environment improves, *i.e.*, it is anticipated that the Group's earnings volatility would be reduced by its diversified portfolio (geographies, products, etc.). In addition, with the future potential strengthening of the balance sheet and the progress of the integration of the two groups, Mittal Steel believes that the Group would have the potential to raise its distribution level. Such distributions would likely take the form of dividends, as has been the case to date for Mittal Steel, but could also include share repurchases or other forms of distribution.

For so long as Arcelor remains listed, Mittal Steel intends to maintain Arcelor's current dividend policy, subject to market conditions.

Takeover Bids for Arcelor Brasil S.A. and Acesita S.A., Arcelor's two Brazilian Subsidiaries

If the Offer succeeds, Brazilian law will require Mittal Steel to offer to purchase all of the outstanding voting shares of Arcelor's two Brazilian subsidiaries, Arcelor Brasil S.A. and Acesita S.A., not already owned by Arcelor, at a price representing that part of the overall consideration paid for Arcelor, including premium, that is attributable to the two subsidiaries. The consideration offered to the minority shareholders may be the same mix of shares and cash as in the Offer or all cash. (See Mittal Steel must make a mandatory tender offer for minority interests in Arcelor's listed Brazilian subsidiaries at a price determined by independent experts, which may be higher than expected in Risk Factors Risks relating to the Offer above.)

Background of the Offer; Prior Contacts

In late October 2005, Mr. Aditya Mittal, President and Chief Financial Officer of Mittal Steel, proposed the concept of a merger between Arcelor and Mittal Steel to Mr. Lakshmi Mittal, Chairman and Chief Executive Officer of Mittal Steel, and others at Mittal Steel. In the course of late October and November 2005, Mr. Aditya Mittal had a couple of brief conversations with Mr. Alain Davezac, an Arcelor executive, regarding possible areas of cooperation. During the 3rd Steel Success Strategies Europe Conference, which took place from November 27 to 29, 2005 in London, Mr. Aditya Mittal suggested to Mr. Davezac that a meeting be arranged between Mr. Guy Dollé, President of the Management Board and Chief Executive Officer of Arcelor, and Mr. Lakshmi Mittal. Thereafter, during December 2005 and early January 2006, various dates for a meeting between Mr. Dollé and Messrs. Lakshmi and Aditya Mittal were considered, and it was finally agreed on January 6, 2006 that the meeting would take place on January 13, 2006 in London.

At the meeting on January 13, 2006, Messrs. Lakshmi and Aditya Mittal proposed the concept of a combination between Mittal Steel and Arcelor to Mr. Dollé. Mr. Dollé was non-committal and pointed out certain difficulties that he saw relating to such a transaction, including integration risks.

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On January 20, 2006, Mr. Lakshmi Mittal called Mr. Dollé to request a meeting over the weekend to discuss a global strategy, to be described at the meeting. Mr. Dollé was unavailable over the weekend, and the earliest he was available was January 24, 2006. It was agreed that a meeting would take place on the evening of January 24, 2006 in Luxembourg.

On January 23, 2006, ThyssenKrupp announced that it would not increase its offer for Dofasco, as a result of which the board of directors of Dofasco recommended the offer by Arcelor for Dofasco. On the morning of January 24, 2006, Mr. Dollé postponed the meeting with Mr. Lakshmi Mittal scheduled for that evening, as he was traveling to Canada. Later on January 24, 2006, Mr. Lakshmi Mittal discussed with Dr. Ekkehard Schulz, Chairman of the Executive Board of ThyssenKrupp, the possible acquisition of Dofasco by ThyssenKrupp following a successful offer by Mittal Steel for Arcelor. On January 26, 2006, Mittal Steel and ThyssenKrupp signed a binding agreement to this effect and Mittal Steel's Board of Directors approved the Offer and the financing arrangements for the Offer.

During the course of January 26, 2006, Mittal Steel received a number of press calls as to whether it was planning to make an offer for Arcelor. Concerned about possible leaks, Mittal Steel decided to announce the Offer the following morning. Accordingly, on the evening of January 26, 2006, after the U.S. stock markets closed, Mr. Lakshmi Mittal called Mr. Dollé to inform him that Mittal Steel was planning to announce the Offer the following day, and Mr. Dollé terminated the call. Mr. Lakshmi Mittal then left a detailed voicemail message on Mr. Dollé's mobile phone explaining Mittal Steel's intentions. Mr. Aditya Mittal separately spoke to Mr. Davezac at Arcelor and advised him of the same. No Arcelor executive has made personal contact with Mr. Lakshmi Mittal, Mr. Aditya Mittal or other Mittal Steel executives in response to either of these two calls.

On January 27, 2006, Mittal Steel issued a press release announcing its intention to launch the Offer.

Agreement between Mittal Steel and ThyssenKrupp regarding Dofasco

On January 24, 2006, Dofasco and Arcelor signed an agreement whereby Dofasco agreed to support Arcelor's previously announced all-cash offer to acquire all of Dofasco's outstanding common shares for C\$71.00 per common share or total consideration of approximately C\$5.6 billion. On February 20, 2006, Arcelor purchased 88.38% of Dofasco's common shares and extended its offer to March 7, 2006. On February 21, 2006, a majority of Arcelor designees were elected to the Dofasco board of directors. On March 7, 2006, Arcelor increased its holdings to 98.5%, and on [] March 2006, Arcelor acquired the remaining Dofasco common shares via a compulsory sales mechanism under Canadian law.

Given its existing extensive and well-positioned North American operations, Mittal Steel does not believe that the inclusion of Dofasco within the combined Mittal Steel/Arcelor Group would make strategic sense. Accordingly, on January 26, 2006, Mittal Steel agreed with ThyssenKrupp that, if Mittal Steel acquires a controlling interest in Arcelor, Mittal Steel will cause Arcelor to sell ThyssenKrupp all of the stock of Dofasco then held by Arcelor at a price of the euro equivalent of C\$68.00 per share, subject to the receipt of necessary regulatory approvals and the absence of certain material adverse changes in Dofasco between the date of signing and the date of transfer. The purchase price is subject to adjustment for changes in net financial debt and net working capital between the acquisition of Dofasco by Arcelor and the resale to ThyssenKrupp. Mittal Steel will compensate Arcelor for the difference between the aggregate price paid by Arcelor for Dofasco and the resale price to ThyssenKrupp, approximately C\$235 million, minus any Dofasco earnings received by Arcelor.

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In the event that, for any reason, the resale of Dofasco to ThyssenKrupp is not consummated as planned, Mittal Steel will evaluate all available options at the time, including the sale of all of Dofasco to a single, alternative buyer, the sale of different parts of Dofasco to multiple buyers, and the possible retention of certain parts of Dofasco. Mittal Steel has the financial resources to retain Dofasco indefinitely pending a decision as to the best alternative. No immediate resale is required in connection with the financing of the Offer or otherwise.

Terms and Conditions of the Offer

Offer Scope and Consideration

Securities Covered by the Offer

Subject to the terms and conditions set forth herein, Mittal Steel hereby irrevocably offers (the Offer) to acquire all of the shares and equity securities of Arcelor, whose shares are listed on Euronext Brussels, Euronext Paris, the Luxembourg Stock Exchange and the Spanish Stock Exchanges (*Bolsas de Valores de Madrid, Barcelona, Bilbao y Valencia*) issued and outstanding as at the first filing date of the Offer, *i.e.*, February 6, 2006, namely (and based on publicly available Arcelor information):

all issued Arcelor shares (including 25,561,531 (source: Arcelor 2005 3rd Quarterly Report) Arcelor shares held as treasury shares, and all shares underlying the ADSs) outstanding as at February 6, 2006, *i.e.*, 639,774,327 shares (source: Arcelor's published updated articles of association);

all of the Arcelor 3% convertible bonds issued in June 2002 maturing on June 27, 2017 and listed on the Luxembourg Stock Exchange outstanding as at February 6, 2006 (the Convertible Bonds), *i.e.*, 38,961,038 Convertible Bonds (source: Arcelor 2004 Annual Report);

all of the Arcelor shares that will be issued prior to the expiration of the acceptance period upon the conversion of Convertible Bonds, *i.e.*, up to 40,012,986 shares (based on a conversion ratio of 1.027 as stated in Arcelor's 2004 Annual Report); and

all Arcelor shares that will be issued before the end of the acceptance period upon the exercise of Arcelor stock subscription options granted prior to February 6, 2006 or in exchange for Arcelor shares issued upon the exercise of Usinor stock subscription options granted prior to February 6, 2006, *i.e.*, up to 4,723,824 shares (source: Arcelor 2004 Annual Report).

Holders of Arcelor stock subscription options and of Usinor stock options granted prior to February 6, 2006, who wish to tender into the Offer must exercise their options (and with respect to Usinor subscription options, exchange their Usinor shares for Arcelor shares), and the Arcelor shares must be credited to their accounts, prior to the expiration date of the acceptance period in order to be able to participate.

If, between February 6, 2006 and the settlement date of the Offer, Arcelor issues any new voting securities or any new securities conferring the right to subscribe for, acquire or convert into voting securities (other than the securities listed above the immediately preceding paragraph) (the New Securities), Mittal Steel will (without prejudice to the provisions set forth in Conditions Precedent to the Offer Shareholder Approval of New Securities below):

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- (i) withdraw the Offer, subject to the prior consent of the competent supervisory authorities (insofar as required by applicable law); or
- (ii) extend the Offer to the New Securities, possibly after amending the terms of the Offer to reflect the changed economics; provided that (x) such amendment is (insofar as required by applicable law) subject to the prior verification by the supervisory authorities of the fact that it reflects the changed economics, and (y) if the terms of the Offer are so amended, the Arcelor securities who have already tendered security holders in the Offer, will be entitled to revoke their tenders as described in Offer for Arcelor Shares Primary Mixed Cash and Exchange Offer and Offer for Arcelor Shares Secondary Cash and Exchange Offer.

Offer for Arcelor Shares

The offer for Arcelor shares shall consist of a primary mixed cash and exchange offer and two secondary capped offers, one for cash only and the other for new Mittal Steel shares only. The primary and secondary offers form an integral part of one single offer (referred to herein as the Offer). The main reason for structuring the Offer with a primary mixed offer and two secondary capped offers is to provide Arcelor shareholders with several options. Arcelor shareholders may elect to tender all or part of their Arcelor shares in any of the primary and secondary offers, in exchange for cash, New Mittal Steel Shares or a mix of the two, depending on their economic and tax preference. The total amounts of cash and New Mittal Steel Shares offered as consideration are capped in order for Mittal Steel to calibrate the financing in advance and to limit the potential dilution of its existing shareholders.

The new Mittal Steel class A common shares to be issued are referred to herein as New Mittal Steel Shares.

Tenders in Primary Offer or Secondary Offers

Arcelor shareholders may elect to tender their Arcelor shares in any or all of the Primary Offer and the Secondary Offers. Tenders in the Secondary Offers are, however, subject to a pro-ration and allocation procedure, described in Pro-Ration and Allocation Procedures below, that will ensure that in the aggregate the portion of offer consideration consisting of New Mittal Steel Shares (the Share Portion of the Offer) and the portion of offer consideration consisting of cash (the Cash Portion of the Offer) (excluding the effect of the treatment of fractional shares that would otherwise be issued and the impact of any adjustment referred to in Offer for Arcelor Shares Primary Mixed Cash and Exchange Offer and Offer for Arcelor Shares Secondary Cash and Exchange Offer. below), will be 75% and 25%, respectively, subject to adjustment as described below.

The Cash Portion of the Offer has been determined on the assumption that Mittal Steel would pay in cash 25% of the aggregate consideration for all of the fully diluted issued share capital of Arcelor outstanding as of February 6, 2006, *i.e.*, up to 644,498,151 shares (including shares held in treasury and shares that may be issued as a result of the exercise of stock subscription options as set forth in this section but excluding conversion of Convertible Bonds). In the event that Arcelor either (i) makes a Distribution (as defined below) to shareholders that is either paid or has a record date for payment before the settlement date of the Offer, or (ii) acquires Arcelor shares, directly or indirectly, by any means whatsoever, before the settlement date of the Offer, then the Cash Portion of the Offer shall

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correspondingly be reduced below 25%, in accordance with the provisions of paragraphs Offer for Arcelor Shares Primary Mixed Cash and Exchange Offer and Offer for Arcelor Shares Secondary Cash and Exchange Offer. below.

With respect to Arcelor shares tendered in the secondary exchange offer and in the secondary cash offer, the amount of stock or cash that a specific Arcelor shareholder actually receives will depend upon the elections of other holders of Arcelor shares.

Primary mixed cash and exchange offer

Mittal Steel offers Arcelor shareholders 4 New Mittal Steel Shares and 35.25 in cash (subject to possible adjustments concerning the amount of cash and the number of shares offered as further described in this section of this Prospectus) in exchange for every 5 Arcelor shares (the Primary Offer). Arcelor shares that are tendered in the Primary Offer are referred to as Mixed Consideration Shares.

Possible adjustment

If, between February 6, 2006 and the settlement date of the Offer, Arcelor takes one or more actions as set out below, the consideration set out above will be adjusted to take into account the cumulative impact of all such actions on the share value. Specifically:

If Arcelor, by any means whatsoever, either (i) declares one or more dividends (including any interim dividends) whose aggregate gross amount exceeds 0.80 per share, distributes reserves or a share premium (including pursuant to a reduction or amortization of stated capital) or reduces its stated capital and any of the above is paid or has a record date for payment before the settlement date of the Offer (each, a Distribution and collectively, the Distributions), or (ii) directly or indirectly acquires Arcelor shares, before the settlement date of the Offer, then:

The amount of cash C(new) to be received in exchange for each Arcelor share will be calculated as follows:

$$C(new) = MAX[(C(old)*N) - (n*p) - D, 0] / (N - n)$$

The number X of New Mittal Steel Share to be received in exchange for each Arcelor share will be calculated as follows:

$$X = \left[\frac{4}{5} \right] * \frac{N}{(N - n)} - \frac{E}{((N - n) * m)}$$

with MAX means the largest number in a set of values

n the number of Arcelor shares acquired, directly or indirectly, by Arcelor, as published pursuant to applicable regulations

p the weighted average purchase price paid per Arcelor share for the n shares acquired, directly or indirectly, by Arcelor, as provided above as published pursuant to applicable regulations

m 26.45, the closing Mittal Steel share price of \$32.30 (or 26.45) as of January 26, 2006 (the Mittal Steel Reference Share Price)

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C(old)	7.05, the initial amount of cash to be received per Arcelor share pursuant to the Primary Offer
D	the total amount of Distributions (before any applicable withholding tax) paid or payable by Arcelor prior to the settlement date
E	represents a positive number and is the amount by which the aggregate of the total Distributions (before any applicable withholding tax) and the total amount paid by Arcelor to repurchase its own shares exceeds 4,363,503,171.00, the maximum cash payable in respect of N shares as defined below. In case such amount is not exceeded, E will be zero.
N	618,936,620 shares, the total fully diluted number of Arcelor outstanding shares as at February 6, 2006, excluding treasury shares and any conversion of Convertible Bonds

Treasury shares are not entitled to dividends nor subject to share repurchases. Therefore, treasury shares do not benefit from any Distribution made by Arcelor.

Example 1: If Arcelor were to pay a dividend of 1.20 per share, the cash element of the Primary Offer would be reduced by 0.40 (1.20 less 0.80) per Arcelor share to 6.65 and the exchange ratio would remain unchanged at 0.800 New Mittal Steel Shares per Arcelor share. As a consequence, the relative proportion of the value of New Mittal Steel Shares and cash offered would be 76.1%, and 23.9%, respectively, assuming a reference Mittal Steel share price of 26.45 (the closing price on January 26, 2006). Assuming such share price, this results in a reduction of the offered value per Arcelor share to 27.81, reflecting the distribution of 0.40 per outstanding Arcelor share over and above the threshold of 0.80 made by Arcelor.

Arcelor's Board of Directors announced on February 16, 2006 an intention to recommend to Arcelor's shareholders a dividend of 1.20 per share in respect of the 2005 fiscal year. If such dividend is in fact recommended by the Board of Directors, approved by Arcelor's shareholders at the annual general meeting, currently scheduled for April 28, 2006, and paid prior to the closing of the Offer, the cash component of the Primary Offer would be reduced as described in Example 1.

Example 2: If Arcelor were to acquire 50 million of its own shares for an average price of 35.00 per share, the cash element of the Primary Offer would be reduced by 2.46 per Arcelor share to 4.59 [$(7.05 \times 618.9m - 50m \times 35) / (618.9m - 50m) = 4.59$] and the exchange ratio would be increased to 0.870 [$4/5 \times 618.9m / (618.9m - 50m) = 0.870$] New Mittal Steel Shares per Arcelor share. As a consequence, the relative proportion of New Mittal Steel Shares and cash offered would be 83.4%, and 16.6%, respectively. Assuming a reference Mittal Steel share price of 26.45, this results in a reduction of the offered value per Arcelor share to 27.61, reflecting the distribution of 0.60 [$(35.00 - 28.21) \times 50m / (618.9m - 50m) = 0.60$] per outstanding Arcelor share as a result of the share repurchase made by Arcelor.

Example 3: If Arcelor were to acquire 100 million of its own shares for an average price of 35.00 per share, the cash element of the Primary Offer would be reduced by 5.39 per Arcelor share to 1.66 [$(7.05 \times 618.9m - 100m \times 35) / (618.9m - 100m) = 1.66$] and the exchange ratio would be

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increased to 0.954 $[4/5 \times 618.9m / (618.9m - 100m) = 0.954]$ New Mittal Steel Shares per Arcelor share. As a consequence, the relative proportion of New Mittal Steel Shares and cash offered would be 93.8%, and 6.2%, respectively. Assuming a reference Mittal Steel share price of 26.45, this results in a reduction of the offered value per Arcelor share to 26.90, reflecting the distribution of 1.31 $[(35.00 - 28.21) \times 100m / (618.9m - 100m) = 1.31]$ per outstanding Arcelor share as a result of the share repurchase made by Arcelor.

Example 4: If Arcelor were to acquire 150 million of its own shares for an average price of 35.00 per share, the cash element of the Primary Offer would be reduced by 7.05 per Arcelor share to 0, as the total Distributions exceed the cash element of the Primary Offer $[150m \times 35 = 5,250m > 4,364m]$, and the exchange ratio would be increased to 0.985 $[4/5 \times 618.9m / (618.9m - 150m) [(5,250m - 4,364m) / ((618.9m - 150m) \times 26.45)] = 0.985]$ New Mittal Steel Shares per Arcelor share. As a consequence, the relative proportion of New Mittal Steel Shares and cash offered would be 100%, and 0%, respectively. Assuming a reference Mittal Steel share price of 26.45, this results in a reduction of the offered value per Arcelor share to 26.04, reflecting the distribution of 2.17 $[(35.00 - 28.21) \times 150m / (618.9m - 150m) = 2.17]$ per outstanding Arcelor share as a result of the share repurchase made by Arcelor.

The above adjustments are without prejudice to the right of Mittal Steel to withdraw the Offer pursuant to Conditions Precedent to the Offer Events or Actions that Alter Arcelor's Substance below.

Any adjustment of the consideration is (insofar as required by applicable law) subject to the prior verification by the supervisory authorities as to its consistency with the conditions set forth in this prospectus and the correct application thereof. If the consideration is adjusted, Mittal Steel will issue a press release setting forth the new adjusted consideration and the new acceptance period if extended under applicable regulations. If the adjustment occurs less than ten Business Days prior to the end of the acceptance period, the latter shall be extended to end ten Business Days after the publication of Mittal Steel's press release announcing said adjustment.

The Offer consideration will also be automatically adjusted to take into account any modification made by Arcelor to its shares, such as stock splits or combinations. Arcelor shares delivered to Mittal Steel on the settlement date of the Offer shall give right to any dividend or other distribution whatsoever decided by Arcelor prior to, but not yet paid on, the settlement date of the Offer.

Secondary cash and exchange offers

As secondary offers, Mittal Steel offers to Arcelor shareholders to elect to tender all or part of their Arcelor shares in one or both of the following two offers (the Secondary Offers):

Secondary cash offer: 28.21 in cash for each Arcelor share (the Cash Consideration) and all Arcelor shares for which this election is made are referred to as Cash Election Shares).

Possible adjustment

If, between February 6, 2006 and the settlement date of the Offer, Arcelor takes one or more actions as set out below, the consideration set out above will be adjusted to take into account the cumulative impact of all such actions on the share value. Specifically:

If Arcelor, by any means whatsoever, makes a Distribution to shareholders that is either paid or has a record date for payment before the settlement date of the Offer, the Cash Consideration of 28.21 per Arcelor share will be reduced by the amount of such Distribution (before any applicable withholding tax).

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Example 1: If Arcelor were to pay a dividend of 1.2 per share, the Cash Consideration for the Cash Election Shares would be reduced by 0.40 (1.20 less 0.80) per Arcelor share to 27.81, reflecting the distribution of 0.40 per outstanding Arcelor share over and above the threshold of 0.80 made by Arcelor.

Arcelor's Board of Directors announced on February 16, 2006 an intention to recommend to Arcelor's shareholders a dividend of 1.2 per share in respect of fiscal year 2005. If such dividend is in fact recommended by the Board of Directors, approved by Arcelor's shareholders at a general meeting, currently scheduled for April 28, 2006, and paid prior to the closing of the Offer, the Cash Consideration would be reduced as described in Example 1.

If Arcelor acquires, directly or indirectly, Arcelor shares for cash before the settlement date of the Offer, by any means whatsoever, the Cash Consideration of 28.21 per Arcelor share payable will be reduced by an amount Y calculated as follows:

$$Y = \frac{n * (p - V)}{N - n}$$

- With n the number of Arcelor shares acquired, directly or indirectly, by Arcelor, as published pursuant to applicable regulations
- p the weighted average purchase price paid per Arcelor share for the n shares acquired, directly or indirectly, by Arcelor, as provided above as published pursuant to applicable regulations
- V 28.21, the initial Cash Consideration
- N 618,936,620 shares, the total fully diluted number of Arcelor outstanding shares as at February 6, 2006, excluding treasury shares and any conversion of Convertible Bonds

Treasury shares are not entitled to dividends nor subject to share repurchases. Therefore, treasury shares do not benefit from any Distribution made by Arcelor.

Example 2: If Arcelor were to acquire 50 million of its own shares for an average price of 35.00 per share, the Cash Consideration for the Cash Election Shares would be reduced by 0.60 [50m x (35.00 - 28.21) / (618.9m - 50m) = 0.60] per Arcelor share to 27.61, reflecting the distribution of 0.60 per outstanding Arcelor share as a result of the share repurchase made by Arcelor.

Example 3: If Arcelor were to acquire 100 million of its own shares for an average price of 35.00 per share, the Cash Consideration for the Cash Election Shares would be reduced by 1.31 [100m x (35.00 - 28.21) / (618.9m - 100m) = 1.31] per Arcelor share to 26.90, reflecting the distribution of 1.31 per outstanding share as a result of the share repurchase made by Arcelor.

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Example 4: If Arcelor were to acquire 150 million of its own shares for an average price of \$35.00 per share, pursuant to the above adjustment formula, the Cash Consideration for the Cash Election Shares would be reduced by 2.17 [150m x (\$35.00 - \$28.21) / (618.9m - 150m) = 2.17] per Arcelor share to \$26.04. However, as indicated in Example 4 to the Primary Offer above, since such an acquisition of shares would result in the relative proportion of New Mittal Steel Shares and cash offered of 100% and 0%, respectively, the Cash Consideration would be reduced to \$0 and all the Arcelor shares tendered to the secondary cash offer would be exchanged for New Mittal Steel Shares only. As illustrated in Example 4 for the secondary exchange offer below, Arcelor shareholders would receive 0.985 New Mittal Steel Share for each Arcelor share tendered in the Offer.

Such adjustments are without prejudice to the rights of Mittal Steel to withdraw the Offer pursuant to the Conditions Precedent to the Offer, Events or Actions that Alter Arcelor's Substance, below.

Any adjustment of the consideration is (insofar as required by applicable law) subject to the prior verification by the supervisory authorities as to its consistency with the conditions set forth herein and the correct application thereof. If the consideration is adjusted, Mittal Steel will issue a press release setting forth the new adjusted consideration and the new acceptance period if extended under applicable regulations. If the adjustment occurs less than ten Business Days prior to the end of the acceptance period, the latter shall be extended to end ten Business Days after the publication of Mittal Steel's press release announcing said adjustment.

The Offer consideration will also be automatically adjusted to take into account any modification made by Arcelor to its shares, such as stock splits or combinations. Arcelor shares delivered to Mittal Steel on the settlement date of the Offer shall give right to any dividend or other distribution whatsoever decided by Arcelor prior to, but not yet paid on, the settlement date of the Offer.

Secondary exchange offer: 16 New Mittal Steel Shares for every 15 Arcelor shares (the Stock Consideration and all Arcelor shares for which this election is made are referred to as Stock Election Shares).

Possible adjustment

If, between February 6, 2006 and the settlement date of the Offer, Arcelor takes one or more actions as set out below, the consideration set out above will be adjusted to take into account the cumulative impact of all such actions on the share value. Specifically:

If Arcelor, by any means whatsoever, either (i) makes a Distribution to shareholders that is either paid or has a record date for payment before the settlement date of the Offer, or (ii) directly or indirectly acquires Arcelor shares, by any means whatsoever, before the settlement date of the Offer, then the number Z of New Mittal Steel Shares to be received in exchange for each Arcelor share will be calculated as follows:

$$Z = \left[\begin{array}{l} 16 \\ 15 \end{array} \right] * \frac{N}{(N - n)} + \frac{(n * p) + D}{[(N - n) * m]}$$

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With Dthe total amount of Distributions (before any applicable withholding tax) paid or payable by Arcelor prior to the settlement date of the Offer

m 26.45, the Mittal Steel Reference Share Price

N618,936,620 shares, the total fully diluted number of Arcelor outstanding shares as at February 6, 2006, excluding treasury shares and any conversion of Convertible Bonds

n the number of Arcelor shares acquired, directly or indirectly, by Arcelor, as published pursuant to applicable regulations

p the weighted average purchase price paid per Arcelor share for the n shares acquired, directly or indirectly, by Arcelor, as provided above as published pursuant to applicable regulations

Treasury shares are not entitled to dividends nor subject to share repurchases. Therefore, treasury shares do not benefit from any Distribution made by Arcelor.

Example 1: If Arcelor were to pay a dividend of 1.2 per share, the exchange ratio would be reduced to 1.0515 $[(16/15) - ((1.2 - 0.8) \times 618.9m) / (618.9m \times 26.45)] = 1.0515$ New Mittal Steel Share per Arcelor share. Assuming a reference Mittal Steel share price of 26.45, this results in a reduction of the offered value per Arcelor share to 27.81, reflecting the distribution of 0.40 per Arcelor share over and above the threshold of 0.8 made by Arcelor.

Arcelor's Board of Directors announced on February 16, 2006 an intention to recommend to Arcelor's shareholders a dividend of 1.2 per share in respect of fiscal year 2005. If such dividend is in fact recommended by the Board of Directors, approved by Arcelor's shareholders at a general meeting, currently scheduled for April 28, 2006 and paid prior to the closing of the offer, the exchange ratio for the secondary exchange offer would be reduced as described in Example 1.

Example 2: If Arcelor were to acquire 50 million of its own shares for an average price of 35.00 per share, the exchange ratio would be reduced to 1.044 $[16/15 \times 618.9m / (618.9m - 50m) - (50m \times 35) / ((618.9m - 50m) \times 26.45)] = 1.044$ New Mittal Steel Share per Arcelor share. Assuming a reference Mittal Steel share price of 26.45, this results in a reduction of the offered value per Arcelor share to 27.61, reflecting the prepayment made by Arcelor of 0.60 $[(35.00 - 28.21) \times 50m / (618.9m - 50m) = 0.60]$ per outstanding Arcelor share post share repurchase made by Arcelor.

Example 3: If Arcelor were to acquire 100 million of its own shares for an average price of 35.00 per share, the exchange ratio would be reduced to 1.017 $[16/15 \times 618.9m / (618.9m - 100m) - (100m \times 35) / ((618.9m - 100m) \times 26.45)] = 1.017$ New Mittal Steel Share per Arcelor share. Assuming a reference Mittal Steel share price of 26.45, this results in a reduction of the offered value per Arcelor share to 26.90, reflecting the prepayment made by Arcelor of 1.31 $[(35.00 - 28.21) \times 100m / (618.9m - 100m) = 1.31]$ per outstanding Arcelor share post share repurchase made by Arcelor.

Example 4: If Arcelor were to acquire 150 million of its own shares for an average price of 35.00 per share, the exchange ratio would be reduced to 0.985 $[16/15 \times 618.9m / (618.9m - 150m) - (150m \times 35) / ((618.9m - 150m) \times 26.45)] = 0.985$ New Mittal Steel Share per Arcelor share. Assuming a reference Mittal Steel share

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price of 26.45, this results in a reduction of the offered value per Arcelor share to 26.04, reflecting the prepayment made by Arcelor of 2.17 [(35.00 - 28.21)x150m / (618.9m - 150m) = 2.17] per outstanding Arcelor share post share repurchase made by Arcelor.

Such adjustments are without prejudice to the rights of Mittal Steel to withdraw the Offer pursuant to Conditions Precedent to the Offer Events or Actions that Alter Arcelor's Substance below.

Any adjustment of the consideration is (insofar as required by applicable law) subject to the prior verification by the supervisory authorities as to its consistency with the conditions set forth herein and the correct application thereof. If the consideration is adjusted, Mittal Steel will issue a press release setting forth the new adjusted consideration and the new acceptance period if extended under applicable regulations. If the adjustment occurs less than ten Business Days prior to the end of the acceptance period, the latter shall be extended to end ten Business Days after the publication of Mittal Steel's press release announcing said adjustment.

The Offer consideration will also be automatically adjusted to take into account any modification made by Arcelor to its shares, such as stock splits or combinations. Arcelor shares delivered to Mittal Steel on the settlement date of the Offer shall give right to any dividend or other distribution whatsoever decided by Arcelor prior to, but not yet paid on, the settlement date of the Offer.

Pro-rata and allocation procedures

Tenders in the Secondary Offers are subject to an adjustment mechanism designed to ensure that in the aggregate the portion of Arcelor shares exchanged for New Mittal Steel Shares and the portion of tendered Arcelor shares exchanged for cash (excluding the impact of any adjustment referred to above) will be 75% and 25%, respectively. As a result, shareholders having tendered shares in the secondary cash offer may receive between 25% and 100% in cash and the balance in New Mittal Steel Shares, and shareholders having tendered in the secondary exchange offer may receive between 75% and 100% in New Mittal Steel Shares and the balance in cash. The exact proportions will depend on the total number of Arcelor shares tendered among the Secondary Offers. It is, however, unlikely that a shareholder having tendered in the secondary cash offer will receive 100% or close to 100% in cash.

If the ratio of the total number of Cash Election Shares to the total number of Stock Election Shares is not equal to the Ratio (as defined below), then the following pro-rata and allocation adjustment will be applied to the Cash Election Shares or the Stock Election Shares, as the case may be. For purposes of this section, the Ratio means (i) initially 1/3 (25% divided by 75%) and (ii) if there has been any adjustment to the consideration in the Primary Offer pursuant to Primary Mixed Cash and Exchange Offer, then the ratio of C(new) divided by [X * 26.45] using the last adjusted values of C(new) and X.

In the event that the total number of Cash Election Shares divided by the total number of Stock Election Shares exceeds the Ratio, then each Stock Election Share will receive the Stock Consideration, while the number of Cash Election Shares will be reduced to the number required to achieve the Ratio. This reduction will be effected proportionately among the holders of Cash Election Shares. The adjusted number of Cash Election Shares will be rounded down to the nearest whole Cash Election Share. All tendered Arcelor shares deemed not to be Cash Election Shares as a result of this pro-rata and allocation procedure will be deemed Mixed Consideration Shares.

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In the event that the total number of Cash Election Shares divided by the total number of Stock Election Shares is less than the Ratio, then each Cash Election Share will receive the Cash Consideration, while the number of Stock Election Shares will be reduced to the number required to achieve the Ratio. This reduction will be effected proportionately among the holders of Stock Election Shares. The adjusted number of Stock Election Shares will be rounded down to the nearest whole Stock Election Share. All tendered Arcelor securities deemed not to be Stock Election Shares as a result of this pro-ration and allocation procedure will be deemed Mixed Consideration Shares.

Based on its understanding of previous takeover bids structured in the same manner as the Offer, Mittal Steel considers that the probability is low that an Arcelor shareholder tendering shares in the secondary cash offer would receive only cash consideration.

If there is a subsequent offering period, the same pro-ration and allocation procedures described above will apply to all Arcelor shares tendered during the subsequent offering period.

Offer for Convertible Bonds

Mittal Steel offers to exchange 4 New Mittal Steel Shares and 40.00 in cash for every 5 Convertible Bonds.

The possible adjustments to the consideration offered for Arcelor shares tendered in the Offer described in *Offer for Arcelor Shares* above do not relate to, and will have no effect on, the consideration offered for the Convertible Bonds.

Fractional Shares

No fractional shares will be issued to individual Arcelor shareholders or individual holders of Convertible Bonds. *[Financial intermediaries]* will operate an exchange pool facility for the benefit of Arcelor securityholders who hold a number of Arcelor shares or Convertible Bonds that do not entitle such holders to receive a round number of New Mittal Steel Shares. *[Financial intermediaries]* will pool those fractions of New Mittal Steel Shares into an integral number of such shares and sell them on the stock exchange for the account of participating Arcelor securityholders, at dates to be determined but not later than 10 Business Days following the settlement date of the Offer. The net proceeds of such sale will be paid to Arcelor securityholders pro rata to their participation in the pool. *[Financial intermediaries]* will publish a notice in the financial press to announce practical arrangements for participation in the exchange pool facility. No interest shall be paid in respect of the cash proceeds resulting from the sale. Mittal Steel shall pay the brokerage and related fees of the financial intermediaries.

Maximum Cash Payable

The maximum aggregate amount of cash payable in the Offer in respect of both Arcelor shares and Convertible Bonds in accordance with the terms set out herein will not exceed 4.856 billion (including Arcelor's treasury shares). In the event that the terms of the Offer are changed or the Offer is extended to New Securities, however, this maximum amount of cash may be changed. If the Offer is extended to New Securities, this maximum amount will be increased, unless Mittal Steel then chooses to amend the terms of the Offer in accordance with subsection (ii) of *Securities Covered by the Offer* above by decreasing the Cash Portion of the Offer *pari passu* for all securities tendered.

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Conditions Precedent to the Offer

Minimum Tender Condition

The Offer is subject to the condition that the number of Arcelor shares tendered in the Offer represents on the date of public announcement of the results of the Offer more than 50% of the total issued share capital and voting rights in Arcelor, on a fully-diluted basis (the Minimum Tender Condition). For the purpose of calculating whether this Minimum Tender Condition has been met, the numerator will include all the Arcelor securities tendered in the Offer including (i) all Arcelor shares tendered, and (ii) the Arcelor shares underlying all tendered Convertible Bonds (taking into account the number of Arcelor shares into which the tendered Convertible Bonds could be converted on the expiration date of the acceptance period of the Offer). The denominator for this calculation will be comprised of Arcelor's fully diluted share capital, including, without limitation, all issued Arcelor shares (including but not limited to treasury shares held by Arcelor) and all Arcelor shares underlying (i) the Convertible Bonds and (ii) all outstanding Arcelor stock subscription options (whether or not exercisable before the end of the acceptance period of the Offer).

Mittal Steel reserves the right to waive the Minimum Tender Condition at any time until the announcement of the results of the Offer.

Events or Actions that Alter Arcelor's Substance

The Offer is subject to the condition that, between February 6, 2006 and the settlement date of the Offer, no exceptional event beyond the control of Mittal Steel occurs relating to Arcelor (other than any decision or action taken by competent competition authorities in relation to the currently proposed combination of Mittal Steel and Arcelor) nor does Arcelor take any action that, in either case, materially alters Arcelor's substance, substantially and adversely affects the economics of the Offer or substantially and adversely affects the ability of Mittal Steel to complete the Offer.

Upon the occurrence of such an event or action, Mittal Steel may withdraw the Offer, subject to the prior consent of the competent supervisory authorities (insofar as required by applicable law).

Shareholder Approval of New Securities

The Offer is subject to the condition that if New Securities are issued after February 6, 2006, they must be issued or specifically authorized by the shareholders' meeting of Arcelor after February 6, 2006 (in the manner required for amendment of the Articles of Association), except for (i) shares issued upon conversion of existing Convertible Bonds or upon exercise of the subscription options and exchange rights referred to in Terms and Conditions of the Offer Offer Scope and Consideration Securities Covered by the Offer above, and (ii) securities issued in the ordinary course pursuant to management or employee incentive schemes in effect on February 6, 2006. Any failure of this condition of shareholder approval will entitle Mittal Steel to withdraw the Offer. Unless the Offer is withdrawn, it will be extended to the New Securities, possibly after amendment of its terms in accordance with Terms and Conditions of the Offer Offer Scope and Consideration Securities Covered by the Offer above.

As described in Offer Scope and Consideration above, Mittal Steel may also withdraw the Offer, subject to the prior consent of the supervisory authorities (insofar as required by applicable law) in the event that the shareholders' meeting of Arcelor were, during the Offer period, to decide to issue New Securities prior to the settlement date of the Offer.

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Consequences of Failure to Meet Conditions

The three conditions listed above are for the exclusive benefit of Mittal Steel, which reserves the right to maintain the Offer, even if one or more of the conditions are not satisfied. Mittal Steel's decisions in respect of the above will be announced as follows:

- (i) the decision to invoke or waive the condition set forth in Minimum Tender Condition : in Mittal Steel's press release publishing the results of the Offer;
- (ii) any decision to withdraw the Offer for failure of one of the conditions set forth in Events or Actions that Alter Arcelor's Substance and Shareholder Approval of New Securities above: as soon as possible after the occurrence of the relevant event or action and in any event no later than the scheduled settlement date of the Offer.

If the Offer lapses or is not successful because any of the conditions precedent are not met, Mittal Steel reserves the right to commence a new offer in accordance with applicable law and regulations, or not to commence a new offer, at its discretion. If the Offer is withdrawn, lapses or is unsuccessful for whatever reason, the Arcelor shares and the Convertible Bonds tendered in the Offer will be promptly returned to their holders, without any indemnity, interest nor any other payment being due.

Grounds for Withdrawing the Offer

In addition to the provisions of Conditions Precedent to the Offer Events or Actions that Alter Arcelor's Substance and Shareholder Approval of New Securities, and in accordance with applicable law and regulation, Mittal Steel reserves the right to withdraw the Offer within five trading days following the date of the publication of the offer document of a competing or higher offer for Arcelor. If Mittal Steel withdraws the Offer, Arcelor shares and Convertible Bonds tendered to the Offer shall be returned to their holders, without any indemnity, interest or any other payment being made.

Expiration Date; Subsequent Offering Period

The acceptance period for the Offer will expire on the later of (i) the 35th Business Day following the opening of the acceptance period, *i.e.*, on [] 2006, or (ii) at midnight (continental European time) on the fifth Business Day following the date on which all regulatory clearances required for Mittal Steel to be allowed to take title to the Arcelor shares have been obtained or relevant waiting periods have expired.

If, through the Offer, on a combined basis, Mittal Steel acquires at least two-thirds of Arcelor's total share capital and voting rights, or more than 50% if there is a concurrent competing bid for the Arcelor securities, Mittal Steel may elect, subject to applicable law and regulations, to provide a subsequent offering period of at least ten trading days. If Mittal Steel so elects, it will offer the same consideration as that offered during the initial offer period and will promptly accept all securities tendered during that subsequent offer period. The same pro-rata and allocation procedure will apply to that subsequent offer period as that set out herein for the initial offer period, so as to ensure that in the aggregate 75% of the Offer consideration consists of New Mittal Steel Shares and 25% of the Offer consideration consists of cash, as adjusted, as the case may be, following the adjustment procedures set out under Terms and Conditions of the Offer Offer Scope and Consideration Offer for Arcelor Shares Tenders in Primary Offers or Secondary Offers above.

In the event that Mittal Steel acquires at least 90% of Arcelor's shares, Mittal Steel will reopen the Offer for a subsequent offering period of at least 15 Business Days. In this case, the consideration offered will be the same as that offered during the initial offer period as mentioned above.

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In the event that Mittal Steel were to improve the terms of this Offer in an increased bid, Arcelor securityholders who had previously tendered their securities in the Offer would automatically benefit from such increase.

Withdrawal Rights

Holders of Arcelor shares and Convertible Bonds may revoke their orders and withdraw Arcelor securities tendered in the Offer at any time until the last day of the acceptance period.

In particular, if, during the period of the Offer, a competing bid or an increased competing bid for Arcelor is approved by the competent authorities, tenders of Arcelor securities may be revoked by Arcelor securityholders who had previously tendered their securities. By exception, in Belgium and France, tenders would be automatically cancelled in the event of a competing bid.

In addition, if any of the publications mentioned in (i), (ii) or (iii) below occurs less than ten Business Days prior to the end of the acceptance period, the latter shall be extended to end ten Business Days after such publication in order to allow Arcelor securityholders to revoke their tenders during this ten Business Day-period:

- (i) If a supplement to this prospectus is published;
- (ii) if the consideration offered for the Arcelor Shares is adjusted pursuant to Terms and Conditions of the Offer Offer Scope and Consideration Offer for Arcelor Shares Primary Mixed Cash and Exchange Offer or Secondary Cash and Exchange Offers above; and/or
- (iii) If Arcelor issues New Securities and Mittal Steel extends the Offer to the New Securities after amending the terms of the Offer in accordance with Terms and Conditions of the Offer Offer Scope and Consideration Securities Covered by the Offer and Conditions Precedent to the Offer Events or Actions that Alter Arcelor s Substance.

Procedures for Tendering Arcelor Securities

The following are the procedures to tender your Arcelor shares, Convertible Bonds or Arcelor ADSs. The tender materials described below provide for the election of New Mittal Steel Shares, cash or a combination of New Mittal Steel Shares and cash in exchange for tendered Arcelor shares and Arcelor ADSs in accordance with the terms of the Offer. If you validly tender Arcelor shares or Arcelor ADSs but fail to make an election, you will be deemed to have elected to receive the consideration offered in the primary mixed cash and exchange offer with respect to such Arcelor shares or Arcelor ADSs. See Terms and Conditions of the Offer.

Procedures for Tendering Arcelor Shares and Convertible Bonds

Arcelor Shares and Convertible Bonds held through U.S. Custodians. If you hold your Arcelor shares or Convertible Bonds through a U.S. Custodian, you should not complete the letter of transmittal. Instead, your U.S. custodian should deliver to you an acceptance form for the Offer or a separate form prepared directly by the U.S. Custodian. If you have not yet received instructions from your U.S. custodian, please contact your U.S. custodian directly.

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Arcelor Shares and Convertible Bonds held through European Financial Intermediaries. If your Arcelor shares or Convertible Bonds are held through a European financial intermediary, you should not complete the letter of transmittal. Instead, you should request the financial intermediary to deliver an acceptance form to you. In order to accept the Offer, you must complete the acceptance form and deliver it to your financial intermediary before the end of the acceptance period. The financial intermediaries will be required to notify the relevant local centralizing agent (a Centralizing Agent). Shareholders directly registered in the Arcelor share register must notify the Global Centralizing Agent (as defined below) of their decision to tender their Arcelor shares to the Offer.

Except otherwise provided by applicable law, if the legal ownership of the Arcelor shares or the Convertible Bonds tendered is separated from the beneficial ownership, the legal owner and the beneficial owner must jointly sign the acceptance form.

The following centralization procedures will apply:

for Arcelor shares and Convertible Bonds held through a direct participant of Clearstream Luxembourg or Euroclear Bank, each of the financial intermediaries that is a member of Clearstream Luxembourg and Euroclear Bank and has received one or more orders must submit them to the Luxembourg Centralizing Agent;

for Arcelor shares and Convertible Bonds held through a direct participant of Euroclear France, each of the financial intermediaries that is a member of Euroclear France and has received one or more orders must submit them to the French Centralizing Agent;

for Arcelor shares and Convertible Bonds held through a direct participant of Iberclear, each of the financial intermediaries that is a member of Iberclear and has received one or more orders must submit them to the Spanish Centralizing Agent;

for Arcelor shares and Convertible Bonds held through a direct participant of Euroclear Belgium, each of the financial intermediaries that is a member of Euroclear Belgium and has received one or more orders must submit them to the Belgian Centralizing Agent.

All orders will be centralized by the Global Centralizing Agent.

Upon the settlement of the Offer, the New Mittal Steel Shares will be delivered to, and the cash consideration will be paid to, holders of Arcelor shares or of Convertible Bonds in exchange for their Arcelor shares or Convertible Bonds, as the case may be, as follows:

The New Mittal Steel Shares will be delivered to and the cash consideration will be paid to the common depositaries of Clearstream Luxembourg and Euroclear Bank which will then credit their members' accounts, which members will make the appropriate credits to the accounts of the relevant Arcelor securityholders; by exception, in Spain, the New Mittal Steel Shares will be delivered to and the cash consideration will be paid to the Spanish Centralizing Agent, which will register the New Mittal Steel Shares with Iberclear, the latter will then credit its members' accounts with the New Mittal Steel Shares and cash consideration, which members will then make the appropriate credits to the accounts of the relevant Arcelor securityholders;

If a shareholder tendering his or her Arcelor shares is registered directly in Arcelor's shareholders' register, the New Mittal Steel Shares to be delivered to said shareholder shall be directly registered in his or her name in Mittal Steel shareholders' register (and the cash consideration paid to the bank accounts notified by such shareholders to the Global Centralizing Agent).

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The Global Centralizing Agent and the Centralizing Agents are:

- (i) [] (the Global Centralizing Agent);
- (ii) Luxembourg: [] (the Luxembourg Centralizing Agent);
- (iii) France: [] (the French Centralizing Agent);
- (iv) Belgium: [] (the Belgian Centralizing Agent);
- (v) Spain: [] (the Spanish Centralizing Agent).

Procedures for Tendering Arcelor ADSs

Arcelor ADS Certificates. If you hold Arcelor ADS certificates, you may tender your Arcelor ADSs by delivering prior to the expiration date the following materials to the exchange agent at its address set forth on the back cover of this prospectus:

your Arcelor ADS certificates;

a properly completed and duly executed letter of transmittal, or a manually signed facsimile copy, with any required Medallion signature guarantees; and

any other documents required by the letter of transmittal, including instructions to The Bank of New York, the exchange agent for the Arcelor ADSs, to tender the Arcelor shares underlying the tendered Arcelor ADSs as part of the Global centralizing procedures within five Business Days after the expiration of the offer period.

Arcelor ADSs in Book-Entry Form. If you hold your Arcelor ADSs in book-entry form, you may tender your Arcelor ADSs following the procedure for book-entry transfer described below. If you tender your Arcelor ADSs in this way, you must deliver prior to the expiration date the following materials to the exchange agent at its address set forth on the back cover of this prospectus:

a timely confirmation of a book-entry transfer (a book-entry confirmation) of such Arcelor ADSs into the exchange agent s account at the Depository Trust Corporation, or DTC, pursuant to the procedures described below;

a properly completed and duly executed letter of transmittal, or a manually signed facsimile copy, with any required Medallion signature guarantees, or an agent s message (as defined below); and

any other documents required by the letter of transmittal, including instructions to The Bank of New York, the exchange agent for the Arcelor ADSs, to tender the Arcelor Shares underlying the tendered Arcelor ADSs as part of the Global centralizing procedures within five Business Days after the expiration of the offer period.

The exchange agent will establish an account with respect to Arcelor ADSs at DTC for purposes

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of the Offer within two Business Days after the date of this prospectus. Any financial institution that is a participant in DTC's systems may make book-entry delivery of Arcelor ADSs by causing DTC to transfer such Arcelor ADSs into the exchange agent's account in accordance with DTC's procedure for the transfer. You must deliver prior to the expiration date to the exchange agent at one of its addresses set forth on the back cover of this prospectus (1) the appropriate letter of transmittal, or a manually signed facsimile copy thereof, properly completed and duly executed, together with any required Medallion signature guarantees, or (2) an agent's message in lieu of the letter of transmittal, and any other required documents. An agent's message is a message transmitted by DTC to, and received by, the exchange agent as part of a book-entry confirmation. The book-entry confirmation states that DTC has received an express acknowledgment from the DTC participant tendering the Arcelor ADSs that such participant has received and agrees to be bound by the terms of the letter of transmittal and that we may enforce such agreement against such participant.

If you are unable to comply with these procedures for book-entry transfer on a timely basis, you must comply with the notice of guaranteed delivery procedure described below. See **Guaranteed Delivery**. **Delivery of documents to DTC in accordance with its procedures does not constitute delivery to the exchange agent.**

Signature Guarantees. Signatures on all letters of transmittal must be guaranteed by a firm that is a member of the Medallion Signature Guarantee Program, or by any other eligible institution, as such term is defined in Rule 17Ad-15 under the Exchange Act (each of the foregoing is referred to as an eligible institution). Medallion Signature guarantees are not required in cases in which Arcelor ADSs are tendered:

by a registered holder of Arcelor ADSs who has not completed either the box entitled **Special Registration Instructions** or the box entitled **Special Delivery Instructions** on the letter of transmittal; or

for the account of an eligible institution.

Arcelor ADSs Held in Street Name. If you hold Arcelor ADSs in street name through your broker, bank or custodian, you should contact your broker, bank or custodian to discuss the appropriate procedures for tendering.

Arcelor ADS Certificates Registered in Another Name. If an Arcelor ADS certificate is registered in the name of a person other than the signatory of the letter of transmittal, the certificate representing this security must be endorsed or accompanied by appropriate stock powers. The stock powers must be signed exactly as the name or names of the registered owner or owners appear on the Arcelor ADS certificate, with the signature(s) on the certificates or stock powers Medallion guaranteed as described above.

Guaranteed Delivery. If you desire to tender Arcelor ADSs pursuant to the Offer and your Arcelor ADS certificates are not immediately available or you cannot deliver such certificates and all other required documents to the exchange agent prior to the expiration date, or you cannot complete the procedure for book-entry transfer on a timely basis, you may nevertheless tender such Arcelor securities provided that all of the following conditions are satisfied:

the tender is made by or through an eligible institution;

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a properly completed and duly executed notice of guaranteed delivery, substantially in the form made available by us, is received by the agent as provided below on or prior to the expiration date; and

the certificates for your tendered Arcelor securities or a confirmation of a book-entry transfer of Arcelor securities into the exchange agent's account at DTC as described above, in proper form for transfer, together with a properly completed and duly executed transmittal letter or a manually executed facsimile copy, with any required Medallion signature guarantee or, in the case of a book-entry transfer, an agent's message and all other documents required the letter of transmittal, are received by the exchange agent within three NYSE trading days after the date of execution of such notice of guaranteed delivery.

The notice of guaranteed delivery may be delivered by hand or transmitted by facsimile transmission to the exchange agent. The notice of guaranteed delivery must in all cases include a Medallion guarantee by an eligible institution in the form set forth in such notice. Delivery of documents to DTC in accordance with its procedures does not constitute delivery to the exchange agent.

Determination of Validity

Mittal Steel reserves the right to waive any defects or irregularity in the tender of any securities of any particular holder.

In tendering Arcelor securities, each holder will be deemed to represent and warrant that it has full power and authority to tender, sell, assign and transfer its Arcelor securities (and any distributions) and that it tenders good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances, and the same will not be subject to any adverse claim. None of Mittal Steel, the exchange agent, the information agent, the dealer-managers or any other person will be under any duty to give notification of any defects or irregularities in the tender of any securities, or incur any liability for failure to give any such notification. Our interpretation of the terms and conditions of the Offer will be final and binding on the holders of Arcelor securities.

Acceptance and Return of Arcelor Securities

In the event that the Offer is not withdrawn or does not lapse, Mittal Steel will be deemed to have accepted Arcelor Securities validly tendered on the expiration date of the acceptance period, as set forth in the final results of the Offer published in Luxembourg in [] by [], in Belgium in [] by or on behalf of Mittal Steel and in Spain in the Listing Bulletins (*Boletines de Cotizacion*) of the Spanish Stock Exchanges. The final results of the Offer will also be published in a press release that will be filed with the SEC and posted on Mittal Steel's website. Title to the Arcelor shares and/or Convertible Bonds shall pass to Mittal Steel at the settlement date.

Subject to the terms and conditions of the Offer, the Offer consideration (*i.e.*, New Mittal Steel Shares and/or cash) will be transferred to the account of the financial intermediaries that tendered the Arcelor securities. No interest shall be paid on the Offer consideration in the event of any reasonable delay in payment thereof.

In case any Arcelor securities tendered in accordance with the instructions set forth in the offer materials are not accepted for exchange pursuant to the terms and conditions of this offer, we will cause those Arcelor securities to be returned in accordance with the procedures outlined in such materials.

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Delivery of New Mittal Steel Shares and Cash

In the event the Offer is not withdrawn or does not lapse, the Global Centralizing Agent will deliver New Mittal Steel Shares and cash (as described in Procedures for Tendering Arcelor Securities above) to tendering holders of Arcelor securities promptly following the publication of the final results of the Offer in the manner described above. The results of the Offer should be published approximately [] Business Days following the expiration of the acceptance period of the Offer. If the Offer is consummated, the final settlement date for the Offer is currently expected to be within approximately [] Business Days following the acceptance period of the Offer in accordance with applicable practice.

Source and Amount of Funds

In accordance with Article 3, 2^o of the Belgian Royal Decree of November 8, 1989, relating to takeover bids and to the change of control of companies, and with Article 11 of the Spanish Royal Decree 1197/1991 of July 26 on the Regulation of Takeover Bids, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (also known as Rabobank), acting through its Belgian and Spanish Branches, has irrevocably and unconditionally guaranteed the cash component of the Offer to be paid to shareholders tendering their shares in Belgium and Spain, up to an amount of 4.875 billion.

On January 30, 2006, Mittal Steel entered into a new 5 billion (approximately \$6 billion) credit agreement (as amended and restated on February 3, 2006 and February 17, 2006) with Goldman Sachs Credit Partners L.P., as Facility Agent (the Acquisition Financing Agreement), and Goldman Sachs International, Citigroup Global Markets Limited, Société Générale Corporate & Investment Banking, Commerzbank Aktiengesellschaft, Credit Suisse (an affiliate of Credit Suisse Securities (USA) LLC) and HSBC Bank PLC, as mandated lead arrangers.

The Acquisition Financing Agreement is unsecured and makes available an acquisition finance facility of up to 5 billion (approximately \$6 billion) to finance the cash portion of the Offer (or in accordance with the terms of the Acquisition Financing Agreement, to cash collateralize the indemnity obligations of Mittal Steel to Rabobank as guarantor of the cash component of the Offer in an amount up to 4.875 billion) and the transaction costs relating thereto. This facility has a certain funds clause that allows Mittal Steel to draw down the funds subject only to essentially documentary conditions that have already been satisfied or are within Mittal Steel's control. The portion of the facility that is not used for the cash portion of the Offer (or for cash collateral) and related costs can be used to refinance existing indebtedness of Arcelor.

The Acquisition Financing Agreement comprises three term facilities of equal amount, being a one-year term facility, which can be extended by one year, a three-year term facility and a five-year term facility. Interest is payable at EURIBOR or LIBOR plus a margin, based on a rating grid. Assuming the Offer is successful and Mittal Steel draws down on these facilities, Mittal Steel will have interest payments to make at the end of each interest period, as well as significant principal repayments to make at the end of year one (unless the one-year term facility is extended for a second year), year three and year five. Such interest and principal repayments will be made out of existing resources, cash flow and/ or refinancing of the facilities. Arcelor is not assuming any debt incurred by Mittal Steel to finance the Offer or guaranteeing the financing of the Offer, and there is no covenant that would require Arcelor to become a guarantor of the debt incurred pursuant to the Acquisition Financing Agreement. Upstream dividends from Arcelor may be used following completion of a successful Offer as part of the debt servicing cash flow.

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The terms and conditions of the Acquisition Financing Agreement are customary for this type of facility. For example, it includes negative covenants, subject to exceptions, which restrict Mittal Steel's ability to carry out certain transactions, such as: the creation by the Mittal Steel group of security interests on its assets; the disposal by any member of the Mittal Steel group of all or any part of its assets, subject to certain exceptions that include the contemplated sale of shares of Dofasco to ThyssenKrupp; the incurrence by Mittal Steel subsidiaries of financial indebtedness above a certain amount; and the merger, demerger or amalgamation of certain members of the Mittal Steel group that are obligors under the agreement, other than with another member of the Mittal Steel group or where the surviving entity is bound by the obligations of the Acquisition Financing Agreement. The Acquisition Financing Agreement also includes customary financial and other covenants.

Concurrently with the Acquisition Financing Agreement, Mittal Steel entered into a \$3 billion (approximately \$3.6 billion) credit agreement with Goldman Sachs Credit Partners L.P., as Facility Agent (as amended, the Refinancing Agreement), and Goldman Sachs International, Citigroup Global Markets Limited, Société Générale Corporate & Investment Banking, Commerzbank Aktiengesellschaft, Credit Suisse (an affiliate of Credit Suisse Securities (USA) LLC) and HSBC Bank PLC as mandated lead arrangers.

The purpose of the Refinancing Agreement is to refinance the amounts outstanding under the 2005 Bridge Finance Facility. One of the terms of the 2005 Bridge Finance Facility is that if Mittal Steel enters into a new loan such as the Acquisition Financing Agreement, the proceeds of such loan must be used to refinance the 2005 Bridge Finance Facility. As a result, the \$3 billion (approximately \$3.6 billion) available under the Refinancing Agreement must be drawn first to repay the 2005 Bridge Finance Facility, before any amounts are drawn on the Acquisition Financing Agreement. After repayment of the bridge facility, Mittal Steel may also utilize the facilities under the Refinancing Agreement to refinance existing indebtedness of Arcelor or for Mittal Steel's general corporate purposes.

The Refinancing Agreement contains three facilities of equal amount with maturities that are similar to those of the Acquisition Financing Agreement. Interest is also payable at EURIBOR or LIBOR plus a margin. The terms and conditions of the Refinancing Agreement are customary for that type of facility and in many respects identical to those of the Acquisition Financing Agreement set out above, but for the Offer-related covenants.

As noted above, upon completion of the Offer, Brazilian law will require Mittal Steel to offer to purchase all of the outstanding voting shares of Arcelor's two Brazilian subsidiaries, Arcelor Brasil and Acesita. The financing for these Brazilian mandatory offers has no effect on the financing of the Offer. Such mandatory offers will be financed out of existing resources, cash flow, proceeds of new financings and, possibly, equity or a combination of the foregoing.

Fees and Expenses

Except as set forth below, Mittal Steel will not pay any fees or commissions to any broker or other person soliciting tenders of Arcelor securities pursuant to the Offer.

Mittal Steel will pay the brokerage fees and related value added taxes incurred by Arcelor securityholders tendering into the Offer, up to a limit of [0.3]% of the value of each Arcelor security tendered, and subject to a maximum amount of [45] per account. Arcelor securityholders will not be reimbursed for any brokerage fees in the event that the Offer is withdrawn, lapses or is unsuccessful for whatever reason.

Financial intermediaries will be paid a fee, net of tax, of [0.2] per Arcelor share tendered into the Offer, up to a maximum amount of [45] per account. This fee will not be paid in the event that the Offer is withdrawn, lapses or is unsuccessful for whatever reason.

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Goldman, Sachs & Co., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, HSBC Securities (USA) Inc. and SG Americas Securities, LLC are acting as dealer-managers solely in the United States in connection with the Offer and they or certain of their affiliates have provided certain financial advisory services to Mittal Steel in connection with the transactions. Goldman, Sachs & Co., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, HSBC Securities (USA) Inc. and SG Americas Securities, LLC and certain of their affiliates will receive reasonable and customary compensation for their services as financial advisors and dealer-managers. We will indemnify the financial advisors and their affiliates against specified liabilities and expenses in connection with the Offer, including liabilities under the U.S. federal securities laws.

We have also retained D.F. King & Co., Inc. to act as information agent in connection with the Offer. The information agent may contact holders of Arcelor securities by mail, telephone, telex, fax, e-mail and personal interview and may request brokers, dealers and other nominee shareholders to forward these Offer materials to owners of Arcelor securities. The information agent will receive reasonable and customary fees for these services, plus reimbursement of out-of-pocket expenses.

We have retained The Bank of New York to act as exchange agent in connection with the Offer. We will pay the exchange agent reasonable and customary compensation for its services in connection with the Offer, plus reimbursement for out-of-pocket expenses. We will reimburse brokers, dealers, commercial banks and trust companies for customary mailing and handling expenses incurred by them in forwarding material to their customers.

We will indemnify the information agent and the exchange agent against certain liabilities and expenses in connection with the Offer, including liabilities under the U.S. federal securities laws.

Indemnification for liabilities under the U.S. federal securities laws may be unenforceable as against public policy.

Listing of Mittal Steel Shares

Mittal Steel's shares are currently listed on the Euronext Amsterdam and the NYSE. Subject to the successful completion of the Offer, Mittal Steel will apply to list its class A common shares on Euronext Brussels, Euronext Paris, the Luxembourg Stock Exchange, and the Spanish Stock Exchanges, in addition to its current listings on Euronext Amsterdam and the NYSE.

Compulsory Acquisition

If, as a result of the Offer, there is no longer an active trading market for the Arcelor shares and Convertible Bonds, these securities may no longer meet the requirements for continued listing of the security exchanges on which they are listed. To the extent permitted under applicable law and stock exchange regulations, Mittal Steel may petition to cause the delisting of the Arcelor shares and Convertible Bonds on such exchanges where they are admitted to trading. Any such petition for delisting would be subject to the approval of such exchanges. Furthermore subject to the completion of the Offer, Mittal Steel intends to cause Arcelor to terminate its deposit agreement with respect to the Arcelor ADSs.

If Mittal Steel acquires sufficient Arcelor shares in the Offer to cause the delisting of the Arcelor shares, then, pursuant to the terms of the Convertible Bonds, the holders of the Convertible Bonds may require Arcelor to redeem the Convertible Bonds for a make-whole payment. In addition, if less than

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10% of the number of issued Convertible Bonds remains outstanding following the consummation of the Offer, Mittal Steel may cause Arcelor to redeem the Convertible Bonds at a redemption price determined pursuant to the terms of the Convertible Bonds (such redemption price would equal an amount that would provide the holder of an Arcelor Convertible Bond with a return equal to the principal amount of the Arcelor Convertible Bond plus interest to the date of actual redemption). This redemption price may be lower than the consideration offered to holders of the Convertible Bonds in the Offer.

Mittal Steel intends to acquire all of Arcelor's outstanding shares through the Offer. Should any shares remain outstanding after completion of the Offer, Mittal Steel will consider possible options to attain ownership of all of Arcelor's share capital, including through any available compulsory buy-out procedure, merger or other corporate reorganization. While no such compulsory buy-out procedure is currently available under Luxembourg law, it is expected to become available upon the implementation of Directive 2004/25/CE on Takeover Bids.

Treatment of Arcelor Stock Options and Arcelor Employee Shareholding Plan

Mittal Steel has not had access to important information relating to Arcelor's stock option plans and employee shareholding plans, if any, including the terms of these plans. If the Offer is consummated, Mittal Steel will determine the treatment of stock options (including Arcelor stock subscription options and Usinor stock subscription options whose beneficiaries are entitled to exchange their Usinor shares for Arcelor shares) and of Arcelor shares held in any Arcelor employee shareholding plan, in each case in accordance with the terms of these plans, that could not be tendered in the Offer.

Comparison of the Rights of Arcelor Shareholders and Mittal Steel Shareholders

You will receive Mittal Steel class A common shares if you tender your Arcelor securities in the Offer. There are numerous differences between the rights of a shareholder in Arcelor, a Luxembourg *société anonyme*, and the rights of a shareholder in Mittal Steel, a Dutch *naamloze vennootschap*. We urge you to review the discussion under Comparison of Rights of Shareholders under Luxembourg and Dutch Law for a summary of these differences.

Accounting Treatment

The acquisition of the Arcelor securities will be accounted for by Mittal Steel using the purchase method under U.S. GAAP. Under the purchase method, the cost of the purchase will be based on the cash paid to Arcelor securityholders, the market value of the New Mittal Steel Shares issued to Arcelor securityholders, fair value of any stock options of Arcelor replaced with stock options of Mittal Steel and the direct transaction costs. In Mittal Steel's consolidated financial statements, the cost of the purchase will be allocated to the Arcelor assets acquired and liabilities assumed, based on their estimated fair values at the acquisition date, with any excess of the cost over the amounts allocated being recognized as goodwill. This method may result in the carrying value of assets, including goodwill, acquired from Arcelor being substantially different from the former carrying values of those assets.

Documentation

The Offer constitutes a single offer that is made using two separate offer documents: this prospectus for the use of all holders of Arcelor securities resident in the United States, and the European offer document (consisting of an offer document and a share offering prospectus) for the use of holders of Arcelor securities who are not U.S. persons or not resident in the United States.

This prospectus may not be sent into any jurisdiction where the sending of such documents is prohibited by applicable law.

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Position of Arcelor

On January 29, 2006, Arcelor's supervisory board rejected the Offer. Under applicable United States federal securities laws, Arcelor is required, no later than ten Business Days following commencement of the Offer in the United States, to publish, send or give its securityholders a statement disclosing whether Arcelor recommends acceptance or rejection of the Offer, expresses no opinion towards the Offer, or is unable to take a position with respect to the Offer. The statement must also include the reasons for the position disclosed therein with respect to the Offer.

Financial Analysis of the Offer

Under the law and regulations applicable to the Offer made in various European jurisdictions, the Offer document must include a description of the financial terms of the Offer using a multi-criteria analysis. Since this analysis has been made available to those holders of Arcelor securities eligible to participate in the Offer made in the various European jurisdictions in the European Offer document, the analysis is included in this prospectus. The analysis was performed solely in connection with the preparation of the European Offer document and was not prepared with a view towards disclosure in a U.S.-style document. This analysis was not relied on in any way by Mittal Steel in connection with establishing the consideration in the Offer.

Ordinary Shares of Arcelor

Basis for Assessing the Offer Value

Unless stated otherwise, the financial figures have been derived from the consolidated accounts of Arcelor for the 12 months ended December 31 2004, the nine and three months ended September 30, 2005, and twelve months ended December 31, 2005 as posted on Arcelor's web-site. The following analyses have been prepared exclusively based on public information. We have not had access to Arcelor's books, records or any other non-public information or its management team.

The number of Arcelor shares outstanding as at September 30, 2005 has been estimated from information contained in Arcelor's 2005 third quarter report and is based on 639,774,327 shares issued and an average number of treasury shares of 25,561,531 during the period from June 30, 2005 to September 30, 2005.

Arcelor shares are listed on Euronext Brussels, Euronext Paris, the Luxembourg Stock Exchange and on the Spanish Stock Exchanges. Arcelor also has an unlisted ADR program in the United States. The market for the shares of Arcelor is liquid with average daily traded volume over the 12 months prior to the announcement of the Offer estimated at 5.1 million shares, which represents an estimated 0.8% of the fully diluted share capital of Arcelor. Arcelor regularly reports to the market with regards to its financial performance, prospects and other developments and is frequently covered in reports of financial analysts. Therefore the share price can be assumed to reflect the publicly available information and be considered as a relevant valuation benchmark.

The closing price per Arcelor share on Euronext Paris on January 26, 2006, being the last trading day prior to the announcement of the Offer, was 22.22 (the Arcelor Reference Share Price). The closing price per Mittal Steel class A common share on the NYSE on January 26, 2006 was \$32.30 (equivalent to 26.45 per share at an exchange rate of \$1.2214 per 1).

Table of Contents*Value of the Primary Offer*

Under the terms of the Primary Offer, Arcelor shareholders will receive 35.25 cash and 4 New Mittal Steel Shares (subject to possible adjustments concerning the amount of cash and the number of shares offered as further described in Terms and Conditions of the Offer Offer Scope and Consideration Offer for Arcelor Securities) for every 5 Arcelor shares held.

Based on the Mittal Steel Reference Price and the terms of the Primary Offer:

the implied value of Arcelor shares is $28.21 (4/5 \times 26.45 + 7.05)$ and therefore consistent with the price of the secondary cash offer of 28.21 per share;

the implied exchange ratio is $1.067 ((4/5 \times 26.45 + 7.05) / 26.45)$ and therefore consistent with the price of the secondary exchange offer of 1.067 (16/15).

The terms of the Primary Offer have been analyzed on the basis of the assessment of the secondary cash offer and the secondary exchange offer, which are set out below.

In addition, the following table sets out the value per Arcelor share implied by the Primary Offer and related premia, based on historic share prices of both Arcelor and Mittal Steel.

Period	Share Price Arcelor ⁽⁸⁾ (€)	Share Price Mittal Steel ⁽⁹⁾ (€)	Implied offer value (€)	Implied premium (%)
Last Trading Day Prior to the announcement	22.22	26.45	28.21	26.9%
5-Day Weighted Average ⁽¹⁾	21.59	25.16	27.18	25.9%
1-Month Weighted Average ⁽²⁾	21.53	23.99	26.24	21.9%
3-Month Weighted Average ⁽³⁾	20.70	23.03	25.48	23.1%
6-Month Weighted Average ⁽⁴⁾	19.52	22.85	25.33	29.8%
12-Month Weighted Average ⁽⁵⁾	18.18	22.80	25.29	39.1%
12-Month High ⁽⁶⁾	22.22	32.32	32.90	48.1%
12-Month Low ⁽⁷⁾	15.12	18.41	21.78	44.0%

Notes: Source: Bloomberg

(1) January 20, 2006 to January 26, 2006 (inclusive)

(2) December 26, 2005 to January 26, 2006 (inclusive)

(3) October 26, 2005 to January 26, 2006 (inclusive)

(4) July 26, 2005 to January 26, 2006 (inclusive)

(5) January 26, 2005 to January 26, 2006 (inclusive)

(6) January 26, 2006 for Arcelor and February 25, 2005 for Mittal Steel

(7) May 15, 2005 for Arcelor and June 24, 2005 for Mittal Steel

(8) Based on Arcelor listing on Euronext Paris

(9) Based on Mittal Steel listing on the NYSE, converted into euros by the average \$/€ exchange rate for the relevant period

Between the date of announcement of the Offer (January 27, 2006) and March 10, 2006, the Mittal Steel share price decreased by 1.6% on the NYSE and increased by 0.6% on Euronext Amsterdam. In comparison, within the same period, the S&P 500 index decreased by 0.2% and the AEX index increased by 2.0%.

Between the date of announcement of the Offer (January 27, 2006) and March 10, 2006, the Arcelor share price increased by 11.2% on Euronext Brussels, by 11.1% on Euronext Paris, by 8.9% on the Luxembourg Stock Exchange, and 10.6% on the Spanish Stock Exchanges. In comparison, within the same period, the CAC 40 index increased by 2.3%, the Bel 20 by 3.8%, the LuxX by 0.6% and the IBEX35 by 6.8%.

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Between the date of announcement of the Offer (January 27, 2006) and March 10, 2006, the average daily traded volume, measured in number of shares, increased by 387% on Euronext Brussels, 231% on Euronext Paris, 95.8% on Luxembourg Stock Exchange, and 138% on the Spanish Stock Exchanges compared to average daily traded volume, measured in number of shares, over the period 12 months prior to the date of announcement of the Offer (January 27, 2006).

Value of the Secondary Cash Offer

The value of the secondary cash offer of 28.21 represents a premium of 26.9% over the Arcelor Reference Share Price. The secondary cash offer can be assessed based on the following criteria:

Trading Prices

The table below summarizes the premium levels determined on the basis of the difference between trading prices of Arcelor on Euronext Paris before the announcement of the Offer and the value of the secondary cash offer.

	Arcelor Share	Implied Premium to Offer
	Price ()	Value of 28.21
Last trading day prior to the announcement	22.22	26.9%
5-Day weighted average ⁽¹⁾	21.59	30.6%
1-Month weighted average ⁽²⁾	21.53	31.0%
3-Month weighted average ⁽³⁾	20.70	36.2%
6-Month weighted average ⁽⁴⁾	19.52	44.5%
12-Month weighted average ⁽⁵⁾	18.18	55.2%
Last 12 months high ⁽⁶⁾	22.22	26.9%
Last 12 months low ⁽⁷⁾	15.12	86.5%

Source: Datastream Euronext Paris

Notes:

- (1) January 20, 2006 to January 26, 2006 (inclusive)
- (2) December 26, 2005 to January 26, 2006 (inclusive)
- (3) October 26, 2005 to January 26, 2006 (inclusive)
- (4) July 26, 2005 to January 26, 2006 (inclusive)
- (5) January 26, 2005 to January 26, 2006 (inclusive)
- (6) January 26, 2006
- (7) May 15, 2005

The table below summarizes (for the period indicated) the Arcelor average share price weighted by daily volumes on Euronext Brussels, Euronext Paris, the Luxembourg Stock Exchange and the Spanish Stock Exchanges before the announcement of the Offer:

	Euronext Paris	Luxembourg Stock Exchange	Spanish Stock Exchanges	Euronext Brussels
5-Day Weighted Average ⁽¹⁾	21.59	21.65	21.54	21.66
1-Month Weighted Average ⁽²⁾	21.53	21.59	21.48	21.69
3-Month Weighted Average ⁽³⁾	20.70	20.98	20.75	20.88

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6-Month Weighted Average ⁽⁴⁾	19.52	19.98	19.55	19.75
12-Month Weighted Average ⁽⁵⁾	18.18	18.29	17.94	18.46
Last 12 Months High ⁽⁶⁾	22.22	22.10	22.28	22.28
Last 12 Months Low ⁽⁷⁾	15.12	15.06	15.11	15.07

Notes:

(1) January 20, 2006 to January 26, 2006 (inclusive)

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- (2) *December 26, 2005 to January 26, 2006 (inclusive)*
- (3) *October 26, 2005 to January 26, 2006 (inclusive)*
- (4) *July 26, 2005 to January 26, 2006 (inclusive)*
- (5) *January 26, 2005 to January 26, 2006 (inclusive)*
- (6) *January 26, 2006*
- (7) *May 15, 2005*

Consolidated Net Asset Value

The net asset value per share of Arcelor as of September 30, 2005 was approximately 22.20 (based on consolidated shareholders' equity of 13,635 million, issued number of shares of 639.8 million and approximately 25.6 million treasury shares). On this basis, the Offer Value of 28.21 per Arcelor share represents a premium of 27.1% over the net asset value.

As of December 31, 2005, Arcelor net asset value per share was approximately 24.60 (based on consolidated shareholders' equity of 15,109 million, 639.8 million issued shares and approximately 25.6 million treasury shares). On this basis, the Offer Value of 28.21 per Arcelor share represents a premium of 14.8% over the net asset value.

Comparison of Listed Companies

Valuations of listed companies in the steel industry are frequently compared on the basis of enterprise value to EBITDA (EV/EBITDA) and Price to Earnings per Share (P/E) multiples. EBITDA is defined as operating profit before depreciation and amortization. Enterprise value corresponds to the aggregate of the equity market capitalization, net indebtedness and minority interests. Investments in associates and other financial assets are excluded from enterprise value as the income associated with these assets is generally not included in EBITDA. Unfunded or under-funded pension obligations are often treated as quasi debt. If net debt is adjusted for such pension obligations, if any, then EBITDA is typically also adjusted for pension expenses for the purpose of calculating comparable multiples. There is no generally accepted convention for these adjustments and market practice differs.

Arcelor is the second largest steel company in the world in terms of production capacity (Source: *Metal Bulletin* April 2005). The majority of Arcelor's operations are in Western Europe, which is a mature, developed steel market. The companies selected as comparable companies for the purpose of this analysis are all steel companies of significant size which operate in Western Europe and other developed countries such as the United States. In addition, Arcelor Brazil has been included to reflect the Brazilian exposure of Arcelor.

In general, investors typically base investment decisions on future profitability, not on historical financial results. Historical financial results are typically not regarded as a reliable indicator of future performance due to the cyclicity of the industry. In addition, historic financial results are often affected by non-recurring elements. Analyses of the relative valuations of companies are therefore frequently based on expectations of the future financial performance of the companies involved. In the steel industry, 2006 and 2007 are currently regarded as the most relevant periods.

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The table below summarizes the EV/EBITDA and P/E multiples for a sample of steel producers based on consensus EBITDA and EPS estimates derived from IBES (Institutional Brokers Estimate System) and adjusted to reflect a December 31 year end.

	Share Price on January 26, 2006 ()	Fully Diluted Equity Market Capitalization (billions of)	Multiple of estimated		Multiple of estimated		2006		2004 EV/ Production ⁽²⁾
			EBITDA ⁽¹⁾		EPS ⁽¹⁾		estimated		
			Enterprise Value ⁽¹⁾ (billions of)	2006	2007	2006	2007	EBITDA Margin ⁽¹⁾	
Arcelor Brasil	10.50	7	7	4.3	3.8	7.4	6.6	34.7%	797
Corus	0.91	4	5	3.9	3.8	9.6	9.4	9.5%	276
Mittal Steel	26.45	19	26	5.1	4.7	6.9	6.2	19.1%	395
Posco	173.83	15	13	3.2	2.8	5.9	5.4	19.6%	431
Voest-Alpine	89.50	4	5	4.5	4.7	8.2	9.1	16.2%	804
US Steel	45.89	6	7	4.9	5.2	10.5	11.8	13.4%	360
Median				4	4.2	7.8	7.8		413
Arcelor based on Offer Price	28.21	19	21	4.4	4.6	8.5	9.3	14.7%	416
Implied Premium				-1.1%	9.9%	8.7%	18.6%		0.7%

Notes: Source: IBES estimates as of January 26, 2006, financial data based on last published financials as per January 26, 2006.

⁽¹⁾ Enterprise values are adjusted for unfunded obligations and the amount by which the present value of future obligations exceeds the fair value of the assets of any funded plans related to pension and other post-retirement benefits. EBITDA is adjusted to exclude total pension expenses recognized during the last 12-month period for which figures are available.

⁽²⁾ Source *Metal Bulletin*; Mittal Steel and Arcelor based on company estimates; Arcelor adjusted to reflect full consolidation of CST transaction and Mittal Steel adjusted to reflect full consolidation of ISG and Kryvorizhstal.

Based on the value of the secondary cash offer, Arcelor is valued at a discount of 1.1% and a premium of 9.9% to the equity value implied for Arcelor when applying the median of 2006 and 2007 EV/EBITDA, respectively, of a sample of steel producers. Arcelor is valued at a premium of 8.7% per cent and a premium of 18.6% per cent to the equity value implied for Arcelor when applying the median of 2006 and 2007 P/E multiples, respectively, of a sample of steel producers.

Analysis of Prior Transactions

The analysis of precedent transactions in the steel industry needs to take into account the point of the steel cycle at which a particular transaction has occurred. Due to the volatility of steel prices over the cycle and corresponding fluctuations in profitability it may be less meaningful to compare valuations over time based on traditional measures of profitability. Alternatively, a comparison of precedent transactions based on price per ton of steel production of Arcelor is more likely to reflect the quality and earnings generation ability of the underlying asset base. Although the product mixture of steel produced may have an impact on the transaction valuation, the available information is too limited to make specific adjustments on that basis.

The transactions chosen represent all steel transactions of significant size in mature developed markets to reflect the fact that Arcelor's main operations are in developed markets. Most of these transactions are mergers of two companies with a significant share component in the offer as is contemplated under the Offer. In addition, two Brazilian transactions have been included to reflect the Brazilian exposure of Arcelor. The period from 1999 to 2004 is a good reference period for the steel cycle as it covers both strong periods (1999, 2004) and weak periods (2000, 2002) of steel pricing.

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The table below shows the implied amount per ton of crude steel production for a sample of transactions in the steel industry.

Year	Target	Acquiror	Enterprise
			Value/Ton of Steel
			Production (\$) ⁽²⁾
2004	International Steel Group	Ispat International	272
2004	CST	Arcelor	461
2002	CSN	Corus Group ⁽¹⁾	997
2001	Arbed	Usinor	337
2001	Aceralia	Usinor	260
1999	Koninklijke Hoogovens	British Steel	379
Median			358

Sources: Company filings, press releases and Datastream

Notes:

⁽¹⁾ Not completed

⁽²⁾ Adjusted for pension obligations. No adjustment for non-steel activities and cross-shareholdings.

The location of Arcelor's assets was also taken into account when comparing valuations in precedent transactions in the steel industry. Companies operating in Latin America and other emerging markets that have attracted higher valuations than companies in Western markets due to their growth prospects and vertical integration opportunities with raw material sources (e.g. iron ore) in relatively close proximity.

The amounts per ton of production in precedent transactions may be compared to an implied amount per ton of Arcelor production of \$409 based on the Arcelor Reference Share Price and \$504 based on the Offer Value, assuming a production for Arcelor of 50.7 kTon, pro forma for Arcelor's acquisition of CST. The Offer Value represents a premium of 48.7% compared to the implied share price of Arcelor based on the median amount per ton of the sample in the table above.

Summary of the Factors Considered in the Valuation of the secondary cash offer

Methodology

Market price	Implied Premium
Last trading day prior to the announcement	26.9%
5-Day Weighted Average ⁽¹⁾	30.6%
1-Month Weighted Average ⁽²⁾	31.0%
3-Month Weighted Average ⁽³⁾	36.2%
6-Month Weighted Average ⁽⁴⁾	44.5%
12-Month Weighted Average ⁽⁵⁾	55.2%
Last 12 Months High ⁽⁶⁾	26.9%
Last 12 Months Low ⁽⁷⁾	86.5%
Consolidated net asset value	
Implied premium to net asset value as of 30 September 2005	27.1%
Implied premium to net asset value as of December 31, 2005	14.8%

Comparison of Listed Companies

Premium/(Discount) of Implied Equity Value Based on the Offer Price Over the Equity Value Implied by the Median for Sample Companies	2006 est. EBITDA	-1.1%
	2007 est. EBITDA	9.9%
	2006 est. EPS	8.7%
	2007 est. EPS	18.6%

Analysis of precedent transactions

Premium of Implied Amount per ton of Steel Production over Median for Sample Precedent Transactions	48.7%
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Notes:

⁽¹⁾ January 20, 2006 to January 26, 2006 (inclusive)

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- (2) December 26, 2005 to January 26, 2006 (inclusive)
 (3) October 26, 2005 to January 26, 2006 (inclusive)
 (4) July 26, 2005 to January 26, 2006 (inclusive)
 (5) January 26, 2005 to January 26, 2006 (inclusive)
 (6) January 26, 2006
 (7) May 15, 2005

Value of the secondary exchange offer

The secondary exchange offer is 16 Mittal Steel shares for every 15 Arcelor shares and equates to an exchange ratio of 1.0667 Mittal Steel share for one Arcelor share. At the Mittal Steel Reference Price this equates to 28.21 per share.

Trading prices

The table below summarizes the premium of the offered exchange ratio versus the exchange ratio based on different trading prices of Arcelor on Euronext Paris and Mittal Steel on the NYSE. The Mittal Steel shares have been converted into euros using the average exchange rate for the relevant period.

Valuation of the Exchange Ratio	Share Price Arcelor (€)	Share Price Mittal Steel (US\$)	Share Price Mittal Steel (€)	Implied exchange ratio	Offered Exchange Ratio	Premium
Last Trading Day Prior to the announcement	22.22	32.30	26.45	0.8402	1.0667	26.9%
5-Day Weighted Average (1)	21.59	30.78	25.16	0.8582	1.0667	24.3%
1-Month Weighted Average (2)	21.53	28.92	23.99	0.8973	1.0667	18.9%
3-Month Weighted Average (3)	20.70	27.45	23.03	0.8987	1.0667	18.7%
6-Month Weighted Average (4)	19.52	27.55	22.85	0.8542	1.0667	24.9%
12-Month Weighted Average (5)	18.18	28.21	22.80	0.7974	1.0667	33.8%
12-Month Low (6)	22.22	42.63	32.32	0.6875	1.0667	55.1%
12-Month High (7)	15.12	22.25	18.41	0.8214	1.0667	29.9%

Source: Bloomberg Euronext Paris

Notes:

1. January 20, 2006 to January 26, 2006 (inclusive)
2. December 26, 2005 to January 26, 2006 (inclusive)
3. October 26, 2005 to January 26, 2006 (inclusive)
4. July 26, 2005 to January 26, 2006 (inclusive)
5. January 26, 2005 to January 26, 2006 (inclusive)
6. January 26, 2006 for Arcelor and February 25, 2005 for Mittal Steel
7. May 15, 2005 for Arcelor and June 24, 2005 for Mittal Steel
8. Mittal Steel NYSE listing in US\$ converted into euros by the average US\$/€ exchange rate for the relevant period

Consolidated net income per share

The table below summarizes the premium of the offered exchange ratio based on historical and estimated earnings per share. The estimated earnings per share are based on consensus IBES estimates as of January 26, 2006.

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	Mittal Steel		Implied	Offered	Premium	
	Arcelor	(US\$ per	Mittal Steel	Exchange		Exchange
EPS	(per share)	share)	(per share)	Ratio	Ratio	Premium
2006E	3.33	4.70	3.84	0.8684	1.0667	22.8%
2007E	3.03	5.21	4.25	0.7128	1.0667	49.6%

Summary of the factors considered in the valuation of the secondary exchange offer

Methodology

Trading Prices	Implied Premium
Last trading day prior to the announcement	26.9%
5-Day Weighted Average ⁽¹⁾	23.1%
1-Month Weighted Average ⁽²⁾	18.9%
3-Month Weighted Average ⁽³⁾	18.7%
6-Month Weighted Average ⁽⁴⁾	24.9%
12-Month Weighted Average ⁽⁵⁾	33.8%
Last 12 Months High ⁽⁶⁾	55.1%
Last 12 Months Low ⁽⁷⁾	29.9%

Consolidated net income per share

2006E	22.8%
2007E	49.6%

Notes:

1. January 20, 2006 to January 26, 2006 (inclusive)
2. December 26, 2005 to January 26, 2006 (inclusive)
3. October 26, 2005 to January 26, 2006 (inclusive)
4. July 26, 2005 to January 26, 2006 (inclusive)
5. January 26, 2005 to January 26, 2006 (inclusive)
6. January 26, 2006 for Arcelor and February 25, 2005 for Mittal Steel
7. May 15, 2005 for Arcelor and June 24, 2005 for Mittal Steel

Convertible Bonds of Arcelor**Summary of Principal Terms of the Convertible Bonds**

Arcelor issued on June 27, 2002 a bond, due June 27, 2017, convertible into new shares and/or exchangeable for existing ordinary shares, represented by 38,961,038 Convertible Bonds with a nominal value per bond of 19.25 and bearing interest at a rate of 3.0% per annum (i.e., 0.5775 coupon payable in equal installments of 0.28875 in arrear on June 27 and December 27 of each year, commencing on December 27, 2002). The Convertible Bonds are redeemable in full on June 27, 2017 at their nominal amount.

Holders of Convertible Bonds have the right at any time to convert and/or exchange their Convertible Bonds, at the option of Arcelor, into new Arcelor shares and/or for existing Arcelor shares. They may also, at their option, request early redemption in cash in whole or in part of the Convertible Bonds they held on June 27, 2007 and June 27, 2012, at their nominal amount plus accrued interest.

The Convertible Bonds are admitted to listing on the Luxembourg Stock Exchange. A prospectus describing the Convertible Bonds was approved by the CSSF on June 28, 2002.

Offer Price for the Convertible Bonds

The Offer price for each Convertible Bond is 29.16. This Offer price is determined by calculating the implied theoretical value of the security at the Offer price for the underlying shares (see explanation below).

Table of Contents*Conversion Value*

The conversion value is determined by applying the conversion ratio of the Convertible Bonds, 1.027, to the Offer price for the shares of 28.21. The conversion value is therefore 28.97.

The price offered of 29.16 for the Convertible Bonds therefore represents a premium of 0.66% over the conversion value.

Market Price

The price offered for the Convertible Bonds compares as follows to the market prices of the Convertible Bonds:

	Market Price ()	Premium to Offer Price (%)
Last Price before Announcement	24.49	19%
5-day average	23.96	22%
1-month average	23.86	22%
6-month average	22.97	27%
1-year average	22.38	30%

Source: Bloomberg

Theoretical Value

The value of the Convertible Bonds as set out above is based on standard market model and on market conditions as at January 26, 2006.

Summary Valuation Methodology and Assumptions

The Convertible Bonds have been valued on an independently produced convertible bond calculator (TrueCalc 4) used by a number of investment banks and convertible bond investors. The model uses an adaptation of the binomial tree model developed by Cox, Ross and Rubinstein [1979] to value convertible bonds. This methodology is used to develop a stock price tree determining the high and low theoretical share prices at each point in time. This can be achieved since, according to option theory, there is a maximum stock price that is possible at any point in time for each different stock price volatility level. The value of the Convertible Bonds has been established by weighting the probability that the stock reaches each of the different nodes of the tree at any point in time. The convertible price at the issue time therefore represents the sum of the values at each of the nodes, multiplied by their respective probabilities and present valued at the relevant interest rate. The model incorporates the conversion value and call features of the Convertible Bonds when establishing the value of each node (as well as the other relevant parameters, e.g., dividends, coupon payments, etc). In terms of the present value of the option and fixed income values at each node, the equity-related cashflows are discounted at the risk-free rate of return while the bond cashflows are valued using the risky rate. (This is consistent with most option pricing methodologies).

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Assumptions

The following assumptions were made from publicly available information and the interest rates used (swap rates) are those as at closing on January 26, 2006.

Underlying Arcelor share price: 22.22;

Offer price for Arcelor shares: 28.21;

Interest Rates: 3.4649% (interpolated between the one and two years European swap rates levels available on Bloomberg as of January 26, 2006);

Credit Spread: 64bps (interpolated between the one and two years Arcelor Credit Default Swap (CDS) trading levels prior to the bid which reflects Arcelor credit curve and the risk premium charged by the market);

Volatility: 22.02% (100 days realized volatility on the ordinary shares prior to the announcement of the tender. This volatility number refers to the degree of movement of Arcelor shares price over a past period of 100 days);

Dividend per share: 0.65 (using the same IBES dividend per share as for financial year 2004, declared and paid in 2005 by Arcelor); and

Borrow Cost: 50bps.

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INFORMATION ABOUT MITTAL STEEL

Overview

Mittal Steel is the world's largest and most global steel producer with an annual production capacity of approximately 75 million tonnes. The Company is the largest steel producer in the Americas and Africa and the second largest in Europe. The Company has steel-making operations in 15 countries on four continents, including 31 integrated, mini-mill and integrated mini-mill steel-making facilities. At year-end 2005, we had approximately 224,000 employees.

Mittal Steel produces a broad range of high-quality finished and semi-finished carbon steel products, encompassing the main categories of steel products (flat products, long products and pipes and tubes). Specifically, the Company produces hot-rolled and cold-rolled sheets, plates, electrogalvanized and coated steel, bars, wire rods, wire products, pipes, billets, blooms, slabs, tinplate, structural sections and rails. Mittal Steel sells these products in local markets and through our centralized marketing organization to customers in over 150 countries. The Company's products are used in a diverse range of end-markets, including the automotive, appliance, engineering, construction and machinery industries.

Our steel-making operations have a high degree of geographic diversification. Almost 41% of our steel is produced in the Americas, with the balance being produced in Europe (38%) and in other countries, such as Kazakhstan, Algeria and South Africa (21%). We are further increasing our geographic production diversification. In September 2005, we completed the acquisition of a significant stake in Hunan Valin, an 8.5 million ton steel producer in China. In October 2005, we signed a memorandum of understanding to construct a 12 million tonne steel-making operation in Jharkhand, India. In November 2005, we completed the acquisition of a 93% stake in Kryvorizhstal (since renamed Mittal Steel Kryviy Rih), the largest carbon steel long products producer in Ukraine.

We shipped approximately 27.4 million, 42.1 million and 49.2 million tons of steel in 2003, 2004 and 2005, respectively. Our shipments are well-balanced geographically and are also balanced as between developed and developing markets, which have different characteristics.

We have access to high-quality and low-cost raw materials through our captive sources and long-term contracts. In 2005, on a pro forma basis after giving effect to the acquisition of ISG, approximately 56% of our iron ore requirements (of which we are one of the world's largest producers) and approximately 42% of our coal requirements were supplied from our own mines or from long-term contracts at many of our operating units. We are actively developing our raw material self-sufficiency, including through recent initiatives to gain access to iron ore deposits in Liberia and Senegal, and expanding Mittal Steel's existing iron ore sources in various parts of the world, including Ukraine. We are one of the world's largest producers of coke, a critical raw material derived from coal, and we satisfy approximately 81% of our own coke requirements. We are the world's largest producer of direct reduced iron, or DRI, which is a scrap substitute used in the mini-mill steel-making process, with total production capacity of approximately 11 million tonnes. Our DRI production satisfies all of our mini-mill input requirements. Our facilities have good access to shipping facilities, including deep-water port facilities and railway sidings.

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Mittal Steel has strong R&D expertise in both product development and manufacturing processes. Mittal Steel operates two primary research and development centers. One, located in East Chicago in the U.S., focuses on steel-making and flat products and is recognized throughout the industry for developing advanced high-strength steels for the automotive business and innovative products for the appliance and electric motor industries. Its Ultra High Strength Steels (UHSS) and Advanced High Strength Steels (AHSS) help automakers, appliance makers, and other manufacturers keep costs down. The other, in Gandrange, France, focuses on long products. The centers' activities include process technology development, the development of steels with special properties, and product research and application development. In long products, recently completed projects include the development of micro-alloyed steel for truck crankshafts (which offer high torsional fatigue strength) and high-strength, low-carbon bainitic steel of >1000 MPa for tyre cord applications. Mittal Steel is recognized as a leader in spring steels for sophisticated applications such as automotive suspensions. In addition to product R&D, Mittal Steel focuses significantly on manufacturing process improvements that increase productivity, for example in DRI and in coal blending for coke making, and energy efficiency. Mittal Steel employs around 200 employees in these R&D centers. This number, however, does not include over 300 researchers concentrated in the R&D departments of the individual companies. Additional production and technical personnel devote part of their time to R&D activities.

In 2004, we generated sales of \$22.2 billion, operating income of \$6.1 billion and net income of \$4.7 billion. In 2005, we generated sales of \$28.1 billion, operating income of \$4.7 billion and net income of \$3.4 billion. At December 31, 2005, we had shareholders' equity of \$10.2 billion, total debt of \$8.3 billion, and cash and cash equivalents, including short-term investments and restricted cash, of \$2.1 billion.

Mittal Steel is a successor to a business founded in 1989 by Mr. Lakshmi N. Mittal, our Chairman and Chief Executive Officer. We have experienced rapid and steady growth since then largely through the consistent and disciplined execution of a successful consolidation-based strategy. We made our first acquisition in 1989, leasing the Iron & Steel Company of Trinidad & Tobago. Some of the principal acquisitions since then include Karmet (Kazakhstan) in 1995, Thyssen Duisburg (Germany) in 1997, Inland Steel (USA) in 1998, Unimétal (France) in 1999, Sidex (Romania) and Annaba (Algeria) in 2001, Nova Hut (Czech Republic) in 2003, BH Steel (Bosnia), Balkan Steel (Macedonia), PHS (Poland) and Iscor (South Africa) in 2004 and ISG (USA), Hunan Valin (China) and Kryvorizhstal (Ukraine) in 2005.

We have proven expertise in acquiring companies and turning around under-performing assets. We believe that we have successfully integrated our previous key acquisitions by implementing a best practice approach in operations and management to enhance profitability. Specifically, our focused capital expenditure programs and implementation of improved management practices at the acquired facilities have resulted in overall increases in production and shipment of steel products, reductions in cash costs of production and increases in productivity. Mittal Steel's aggregate capital expenditures were approximately \$421 million, \$898 million and \$1,181 million in the years ended December 31, 2003, 2004 and 2005, respectively.

Competitive Strengths

We believe that the following factors contribute to our success in the global steel industry:

Scale and scope of operations. We are the world's largest and most global steel producer benefiting from significant economies of scale and scope. We have a global production capacity of approximately 75 million tonnes of steel, and in 2005 we shipped 49.2 million tons of steel. We are the largest producer of steel in the Americas and Africa, the second largest producer of steel in Europe and have a growing presence in Asia. In September 2005, we acquired a significant stake in a Chinese steel producer and in November 2005, we acquired a 93% stake in the largest carbon steel long products producer in Ukraine. We have operations in each country party to the North American Free Trade Agreement, or NAFTA, and in many member states of the European Union, which enables the free trade of goods between such countries. In addition, certain of our operating units have access to markets experiencing above average growth in steel consumption. The combination of our local, regional and international distribution provides us with a global manufacturing and marketing presence, and we use our large size and global presence to achieve significant cost savings and operational efficiencies in production, procurement and marketing.

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Integrated business model focused on low-cost production. We believe that our access to low-cost raw materials, efficient use of steel-making facilities, global procurement strategy and implementation of overall company-wide best practices make us one of the lowest cost steel producers in each of the regions in which we operate. Most of our operating units are strategically well located to access low-cost raw materials, such as iron ore in Kazakhstan, Mexico and Ukraine and natural gas in Trinidad and Tobago. Our operations also have strong vertical integration as a result of our captive sources of raw materials such as iron ore, coal and coke, and our access to owned infrastructure such as deep-water port facilities and railway sidings. We believe that our degree of raw material integration provides us with a competitive advantage through our ability to better monitor the quality of our raw materials and through reduced exposure to the volatility of raw material spot market prices. In addition, we seek to maximize operational efficiencies by implementing strict cost management and targeting capital investments to achieve lower costs of production at each of our facilities. As a result, we believe we are well positioned to manage the cyclical nature of the steel industry.

Diverse product portfolio and strong customer relationships. We produce a diversified portfolio of products to meet a wide range of customer needs across all steel consuming industries, including the automotive, appliance, engineering, construction and machinery industries. We sell our products in local markets and through our centralized marketing organization to customers in over 150 countries. We believe that our diversified product offering enables us to build strong relationships with our customers, which include many of the world's major automobile and appliance manufacturers. Our research and development facilities in North America and Europe help strengthen our relationship with our customers as we work together with them to meet their evolving product needs.

Proven expertise in steel acquisitions and turnarounds. Our senior management team has proven expertise in successfully acquiring and integrating operations and turning around under-performing assets within tight timeframes. We utilize a disciplined approach to investing and have teams from different business units across our company responsible for evaluating any new asset, conducting due diligence and monitoring integration and post-acquisition performance. Since our inception in 1989, we have grown through a series of acquisitions and by improving the operating performance and financial management at the facilities that we have acquired. In particular, we seek to improve the acquired businesses by eliminating operational bottlenecks, addressing any historical under-investment and increasing the acquired facility's capability to produce higher quality steel. We introduce focused capital expenditure programs, implement company-wide best practices, balance working capital, ensure adequate management resources and introduce safety and environmental improvements at the acquired facilities. We believe these operating and financial measures have reduced cash costs of production, increased productivity and improved the quality of steel produced at these facilities.

Business improvement through company-wide best practices. Knowledge sharing and implementing best practices is an integral part of our management philosophy. Through our global Knowledge Management Program, or the KMP, we share, develop and utilize our knowledge and experience across our facilities to accelerate continuous improvements in business performance. The KMP covers all key functional areas such as procurement, marketing and health and safety, as well as the main steps in steel production and processing. The KMP includes ongoing detailed benchmarking, regular technical meetings and sharing information at the corporate, regional and operating level and inter-plant expert and operational support to drive continuous improvement. The KMP enables each business unit to benefit from the scale and reach of our global presence and to have access to the best practices and experience within our company. We believe the KMP provides a differentiating advantage to our business performance by continuously contributing to reduced procurement and conversion costs and enhanced productivity and profitability.

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Research and Development. Our research and development facilities in North America and Europe help strengthen our relationship with our customers as we work together with them to meet their evolving product needs. In addition to such product development, our R&D centers support our business units in process improvement, as well as in transferring product capabilities to meet market needs.

Strong financial profile. We believe our strong financial position and cash flow generation, as illustrated by our corporate investment grade credit ratings, enable us to take advantage of acquisition and investment opportunities. We have corporate investment grade credit ratings of BBB+ from Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and BBB from Fitch Ratings, and a senior implied rating of Baa3 from Moody's Investors Service Ltd. As at December 31, 2005, we had cash and cash equivalents (including short term investments and restricted cash) of \$2.1 billion and total debt of \$8.3 billion. In addition, we believe we have a favorable debt maturity profile with modest refinancing requirements over the next several years.

Experienced management team led by our founder, Mr. Lakshmi N. Mittal. We are the largest steel producer in the world due to the vision and direction of our founder, Chairman and Chief Executive Officer, Mr. Lakshmi N. Mittal. Mr. Mittal is supported by a strong and experienced central and local management team. The operating model of Mittal Steel is designed to encourage the values that lie at the heart of the company's culture—openness, expertise, strength, confidence, influence, reliability, innovation and authority. This model is designed to encourage managers at all levels to act like entrepreneurs, to assume accountability, to make decisions in the best interests of the company, and to support one another in all efforts to continuously improve.

Business Strategy

Mittal Steel's success has been built on a consistent strategy that emphasizes size and scale, vertical integration, product diversity and continuous growth in higher value products, and a strong customer focus. That strategy has allowed Mittal Steel to become one of the lowest cost and highest margin producers in the industry, serving many of the world's most demanding customers.

Mittal Steel intends to continue to play a leading role in the consolidation of the global steel industry and be the clear global leader in the steel industry. Key elements of our strategy are to:

Consolidate our leadership position in high-end segments onto a global customer platform. We have established a reputation for producing high quality steel products for the most demanding applications. We intend to continue to partner with our key customers in research and development activities and in assisting them in their product design initiatives, to ensure that we remain a supplier of preference for them.

Customers for high-end applications, which are today primarily based in the mature economies, are becoming increasingly global and expanding their capacities in developing countries to serve rising local demand. These globalizing customers value suppliers' ability to deliver the same products everywhere. We will continue to invest in our assets and capabilities in emerging economies in order to meet their developing needs. In regions where we have a relatively limited presence (e.g., China, South America and India), we will look at acquisition opportunities, or greenfield possibilities to complete our global footprint.

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Utilize our existing geographic diversification and strong position in high-end products in mature economies to capture future growth in BRICET countries. Worldwide, steel demand is driven by growth in developing economies, namely BRICET countries. Mittal Steel's acquisition strategy over recent years has given us a leading position in Africa, Central and Eastern Europe and Central Asia to benefit from this growth. We have also commenced to build our presence in China and India. As these economies develop, local customers will require increasingly advanced steel products as the market needs change. Mittal Steel will continue to transfer capability for higher-end products from our developed world operations to our operations in the developing markets to enable us to grow with these changing needs.

Maintain a high degree of product diversification. A global steel producer must be able to meet the local needs of different markets. Steel consumption and product requirements clearly differ between mature economy and developing economy markets. Steel consumption in the mature economies is weighted towards flat products and higher value added mix, whereas in developing markets there is a higher proportion of long products and commodity grades. To meet these diverse needs of customers in both the mature and developing markets, we will maintain a high degree of product diversification. We will also continually seek opportunities to grow the value added proportion of our product mix over time.

Achieve cost leadership and operational excellence across the product range. Cost leadership is essential in the steel industry. To maintain this we will utilize our scale and global presence to achieve greater production efficiencies, operational synergies and cost savings across the business. Specifically, we aim to:

Develop and maintain a cost competitive supply base. Our size and geographic scope give us access to local, regional and global suppliers and enable us to continue to develop and secure high quality and cost competitive supplies. We aim to pursue these opportunities by adopting global and regional commercial procurement strategies and by executing these on either a local or centralized basis as appropriate.

Maximize the operational efficiency and effectiveness of our plants. We continue to invest in technology and process development to lower production costs and improve performance. We utilize and adapt a wide range of steelmaking technologies, dependent upon local conditions for raw material and energy supplies. In addition, we seek to protect and enhance our competitiveness through our knowledge management and continuous improvement programs and by looking for opportunities for facility optimization and specialization on a product basis.

Practice good capital management discipline. The steel industry is relatively capital intensive and we therefore promote capital management discipline to improve our capital efficiency. We will continue to focus our capital expenditure programs on elimination of production bottlenecks and to improve product capabilities to meet the requirements for higher value-added products. Where appropriate we utilize our in-house design, engineering and fabrication capabilities to reduce the capital cost of projects.

Continue to invest in low cost slab capacity. Mittal Steel has some of the most cost competitive steel-making operations in the world at its facilities in South Africa, Ukraine and Kazakhstan. We intend to grow capacity at these facilities, which can advantageously supply slabs to downstream facilities in the developed world.

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Maintain a high level of vertical integration to hedge against raw materials price fluctuations. Upstream integration allows steel companies to hedge against supply side constraints and price fluctuations for key raw materials. We will selectively increase our access to and ownership of low cost raw material supplies, particularly in locations adjacent to or accessible to our steel plant operations.

Enhance our Research and Development leadership to drive innovation and growth. We will continue to invest in our R&D capabilities to ensure we can develop and deliver the high end products that our key customers require. As we grow, the investment in our R&D activities is leveraged over a larger asset base. This will allow further investment in order to accelerate innovation. As part of our R&D strategy, we will continue to promote and develop our relationships with public research institutes and universities.

Own and manage distribution channels in key geographies. Downstream integration is a key element of our strategy to build a global customer franchise. In high value products, downstream integration allows steel companies to be closer to the customer and capture a greater share of value added activities. As our key customers globalize, we intend to invest in downstream operations, such as steel service centers providing value added operations. In addition, we intend to continue to develop our distribution network in selected geographies. These downstream and distribution activities will allow us to benefit from better market intelligence and better manage inventories in the supply chain to reduce volatility and improve working capital management.

Build a world-class organization to implement the strategy. We aim to build the world's most admired steel institution with leading management, social, human resources and corporate sustainability policies. In doing so, we will attract, develop and retain the best possible management talent. We will maintain an open culture designed to encourage managers at all levels to act like entrepreneurs, to assume accountability, to make decisions in the best interest of the company, and to support one another in all efforts to continuously improve.

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INFORMATION ABOUT ARCELOR

The information concerning Arcelor provided below is based solely on public information, including Arcelor's annual report for 2004, Arcelor's interim reports in 2005 and Arcelor's February 16, 2006 announcement of, and slide presentation relating to, its unaudited 2005 results, all as posted on Arcelor's web site (www.arcelor.com).

General

Arcelor was created in February 2002 by the combination of three steel-making companies, Aceralia Corporacion Siderurgica, Arbed and Usinor. The Arcelor group operates in four market sectors: Flat Carbon Steels, Long Carbon Steels, Stainless Steels and Arcelor Steel Solutions and Services (A3S, formerly Distribution, Transformation and Trading). Arcelor is the number two steel producer in the world, with production of 47 million and 46 million tonnes of steel in 2004 and 2005, respectively. It generated revenues of 30.2 billion in 2004 and 32.6 billion in 2005. For the same periods, its net result (group share) was 2.3 billion and 4.3 billion, respectively.

In 2004, 30% of its production was obtained from scrap used in electric arc furnaces and 70% from iron ore. The group is a leading operator in all its key end markets: the automotive industry, construction, household appliances, packaging and general industry.

Arcelor is the market leader in Western Europe; 71% of its sales in 2005 were in the European Union. Arcelor also has a strong position in South America; 11% of its sales in 2005 were in South America. The large majority of its approximately 95,000 employees at year-end 2005 are located in those two regions (approximately 72% in Western Europe and 21% in South America).

Principal Business Sectors

Flat Carbon Steel

Arcelor is a leading producer of flat carbon steels, in terms both of volume and value, having shipped approximately 28.5 million tonnes in 2004 and 28.1 million tonnes in 2005. This sector employed nearly 46,000 people at year-end 2005 and generated revenues of approximately 16.1 billion in 2004 and 18.1 billion in 2005.

Arcelor's Flat Carbon Steel sector produces and markets a broad range of Flat Carbon Steel products, including slabs, plates, hot-rolled coil (upstream activities) and cold-rolled coil, coated, galvanized and finished products, formed blanks and welded blanks (downstream activities). With a presence on every global market, the Flat Carbon Steel sector offers steel solutions to the automotive, packaging, industrial packaging, civil and mechanical engineering, construction, household appliance and processing industries. In Europe, the density of the Flat Carbon Steel manufacturing and sales network, combined with the support of A3S (see below), means that Arcelor is geographically close to all its flat carbon steels users. Elsewhere in the world, Arcelor has a policy of active investment and partnership, which is especially strong in South America, North America, Russia and China.

Long Carbon Steel

Arcelor is one of the world's leading producers of long carbon steels, having shipped approximately 13.4 million tonnes in 2004 and 12.3 million tonnes in 2005. This sector employed over 20,000 people at year-end 2005 and reported revenues of approximately 6.2 billion in 2004 and 6.6 billion in 2005, from sales of products in the following three categories:

commodity products (rolled products): lightweight and medium-weight beams, merchant steel and concrete reinforcing bar;

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specialty products (rolled products): sheet pile, heavy beams, special sections and rails; and

wiredrawn products: steelcord, low carbon steels and high carbon steels.

The Long Carbon Steel sector comprises a steel-making activity and a transformation activity with wire drawing plants. The steel-making activity is based in the European Union and South America. It mainly supplies long carbon steel products to the construction, civil engineering and industrial equipment markets. Drawn-wire products are produced in the European Union, South America and the United States, through its joint ventures with the Kiswire Group in South Korea and China, and Bekaert Group in Brazil.

Rolled long products are used chiefly in the construction industry, infrastructure developments and major projects. Wiredrawn products have a variety of uses, including tire manufacture (steelcord), agriculture (vine wire, closures, etc.), manufacturing (galvanized wire for cable reinforcement) and construction (fibers).

Stainless Steel

Arcelor is a leading global producer of stainless steels, in both volume and revenues, having shipped 2.1 million tonnes in 2004 and 1.6 million tonnes in 2005. This sector employed over 13,500 people at year-end 2005 and generated revenues of approximately 4.6 billion in 2004 and 4 billion in 2005. Arcelor produces virtually the entire range of stainless steels and stainless steel alloy products.

Stainless steels are used in four specialist markets: household appliances (large and small), automobiles (mainly in exhaust systems), construction and street furniture (facades and building products) and industry (especially the food, chemical and oil industries).

Arcelor Steel Solutions and Services

With a presence in over 50 countries, A3S (formerly Distribution, Transformation and Trading) offers a broad range of flat and long products and steel solutions for custom projects, and is a leading player in the automotive, household appliance and construction (public works, civil engineering and offshore) markets. Although the majority of the products it sells are supplied by Arcelor group plants, the A3S sector also relies on the market to supply between 30% and 35% of its needs. This sector is built around a network of depots, service centers and manufacturing sites, which provide its European customers with fast access to the full range of group products. A3S is organized into five operating units that work in specialist but complementary markets.

The business activities of Arcelor's A3S sector have the following features in common:

proximity to a broad customer base, whose loyalty is maintained by a substantial sales force;

the important role played by service and logistics;

expertise in the downstream promotion of steel solutions; and

the ability to contribute added value to commercially marketed steel products.

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The A3S sector employed over 11,000 people at year-end 2005 and generated revenues of approximately 8.3 billion in 2004 and 8.7 billion in 2005, corresponding to 14.9 million and 13.7 million tonnes of shipped steel, respectively, 70% and 81% of which came from the other sectors of the group, respectively.

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REGULATORY MATTERS

Competition and Antitrust

Mittal Steel must receive approval for the transaction contemplated by the Offer from the European Commission, the United States Federal Trade Commission (the "FTC") or the Antitrust Division of the Department of Justice (the "DOJ") and the Canadian Commissioner of Competition, which have jurisdiction to review the Offer under their competition/antitrust laws. A number of other jurisdictions throughout the world also have jurisdiction to review the transaction under their competition or antitrust laws.

Although Mittal Steel does not anticipate that there will be any investigations or proceedings in any jurisdiction that would have a material impact on the completion of the Offer or the operations of Mittal Steel or Arcelor, there can be no assurance that the necessary approvals will be granted or that they will be granted on favorable terms, or that investigations or proceedings, whether by governmental authorities or private parties, will not be initiated and, if initiated, will not have a material adverse impact on the operations of Mittal Steel or Arcelor.

It is possible that the approvals will be subject to conditions and obligations that adversely affect the financial position or operations of Mittal Steel, which could include the divestiture of certain assets or business divisions or the imposition of obligations on Mittal Steel that restrict the manner in which it can carry on business. Should any such divestitures or obligations be required and implemented, there could be a material effect upon the business of Mittal Steel or Arcelor. Furthermore, Mittal Steel may decide that significant amounts of additional assets should be disposed of in connection with such divestitures for various business reasons. There can be no assurance that any divestitures ultimately required for regulatory reasons, or any related divestitures, will not have a material adverse effect upon Mittal Steel's business or results of operations in the future.

European Union Competition Laws

Mittal Steel and Arcelor both conduct business in the European Union. Council Regulation (EC) 139/2004 requires that certain concentrations involving parties with aggregate annual worldwide and individual European Union sales exceeding certain thresholds be notified to and cleared by the European Commission. An acquirer is entitled to implement a public bid pending the European Commission's clearance decision provided the acquirer does not exercise the voting rights attached to the securities in question or does so only to maintain the full value of its investments based on a derogation granted by the European Commission. The aforementioned Regulation gives Member States of the European Union the right to request that the European Commission refer jurisdiction to review a concentration to a national authority under the provisions of the relevant national law where it may have an effect on competition in a distinct local market within the requesting Member State. Such a request must be made within 15 working days of the concentration's notification to the European Commission. The European Commission has discretion as to whether to accede to such a request unless the distinct local market within the requesting Member State does not constitute a substantial part of the common market, in which case the European Commission must grant the referral.

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Generally, the European Commission has 25 working days from the date of the notification of a concentration to adopt a decision to approve the notified concentration (whether unconditionally or subject to conditions or obligations) or to open an in-depth investigation (which is sometimes referred to as a Phase II review). The European Commission has the power at any stage during the initial review to declare a notification to be incomplete, which would result in Mittal Steel having to re-notify the concentration and in restarting the 25 working day period. The initial 25 working day period is extended automatically to 35 working days if (i) a Member State of the European Union requests a referral of jurisdiction to review all or part of the concentration for review by its competition authority, or (ii) the notifying party offers to commit to the divestiture of overlapping assets or businesses or other conditions or obligations to eliminate any aspects of the concentration that might cause the European Commission to have serious doubts that the concentration raises competition issues such that it could be incompatible with the common market. Should the European Commission open such a Phase II review, it would, at the end of a further period of 90 to 105 working days, adopt a decision either clearing the concentration (whether unconditionally or subject to conditions and obligations) or declaring the concentration incompatible with the common market. If the European Commission declares the concentration incompatible with the common market and Mittal Steel would already have acquired title to Arcelor's shares (as it is entitled to do under EU merger control rules), the European Commission would require Mittal Steel to divest the shares. In certain circumstances, the 25 working day, 35 working day, and 90-105 working day review periods can be extended if the European Commission requests information from the acquirer or target, which is not provided within the time period allowed; in such circumstances, the Commission may adopt a procedure that leads to the suspension of the review timetable until all the requested information is provided to it. A decision approving the concentration can be challenged before the Court of First Instance of the European Communities by, among others, competitors, customers, or suppliers of Mittal Steel or Arcelor. A decision to prohibit the transaction can similarly be challenged by Mittal Steel. Subject to review by the Court of First Instance, once the European Commission has adopted a decision clearing the concentration, that decision can be revoked by it only if it subsequently concludes that its approval of the concentration was granted on the basis of false or misleading information furnished in the notification or otherwise furnished by Mittal Steel, or if Mittal Steel has failed to comply with conditions or obligations to which the approval decision is subject.

As is customary with EU merger control filings, Mittal Steel has entered pre-notification discussions with the European Commission staff and intends to submit a formal notification in due course.

United States Hart-Scott-Rodino Antitrust Improvements Act of 1976

Mittal Steel submitted a notification under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the HSR Act) in the United States on March 8, 2006, and the transaction is currently under review by the DOJ. Under the HSR Act, the Offer may not be completed until notification has been filed with the FTC, and the DOJ, and the required waiting period has expired or been terminated. However, pending HSR clearance, tendered shares may be acquired so long as any shares at or in excess of 50% are placed in an escrow account that explicitly precludes Mittal Steel from exercising any voting rights or receiving dividends. Any such escrow arrangement must be structured so that the shares must be sold by the escrow agent if the DOJ successfully challenges the transaction.

The required waiting period may be terminated by the DOJ before its expiration, but the expiration or termination of the waiting period does not bar the FTC or the DOJ from challenging the Offer before or after its completion. If the FTC or the DOJ believes that the Offer would violate the federal antitrust laws by substantially lessening competition in any line of commerce affecting U.S. consumers, the FTC and the DOJ have the authority to challenge the transaction by seeking a federal court order enjoining the transaction or, if shares have already been acquired, requiring disposition of such shares. State attorneys general and private persons may also bring legal action under the antitrust laws seeking similar relief or seeking conditions to the completion of the merger.

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Canada

The Offer is a notifiable transaction under the Competition Act (Canada). Notifiable transactions cannot be completed under the Competition Act (Canada) until either (i) a required notification is filed with the Commissioner of Competition and the relevant six-week waiting period has expired or been terminated, (ii) the Commissioner of Competition has issued an Advance Ruling Certificate (ARC) in respect of the transaction, or (iii) the Commissioner of Competition has waived the notification requirement on the basis of information received in an application for an ARC. The Commissioner of Competition has jurisdiction to challenge any transaction that has the effect of substantially lessening or preventing competition in a relevant market and such a challenge may be made any time before or within three years after completion of the transaction, unless an ARC has been issued in respect thereof. The expiration of the applicable statutory waiting period referred to above does not bar the Commissioner of Competition from commencing a proceeding.

Mittal Steel submitted a long-form pre-merger notification in Canada on March 7, 2006, which carries with it a six-week statutory waiting period. As such, the local waiting period will expire on April 18, 2006.

Other Jurisdictions

Mittal Steel has identified that notifications are also required under the antitrust or competition laws of a number of other jurisdictions throughout the world. Mittal Steel has filed submissions in Bosnia and Herzegovina (February 3), Brazil (February 17), Bulgaria (February 3), Romania (February 27), Serbia and Montenegro (February 3), and South Africa (March 10), and expects to file submissions in China, Colombia, Mexico, Turkey, and the Ukraine in due course. An acquirer engaging in a public offer is entitled in all of these jurisdictions to acquire title to the target's shares pending local merger control review.

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The management of Mittal Steel's business is vested in its board of directors. Mr. Lakshmi N. Mittal is Chairman of the board of directors and Chief Executive Officer of Mittal Steel. In establishing Mittal Steel's strategic direction and corporate policies, Mr. Lakshmi N. Mittal is supported by members of Mittal Steel's senior management team with substantial professional and worldwide steel industry experience.

Mittal Steel continues to have a strong emphasis on corporate governance. Five of Mittal Steel's nine directors are independent. Mittal Steel's Audit Committee, Nomination Committee and Remuneration Committee are comprised exclusively of independent directors.

Board of Directors

Mittal Steel's Articles of Association provide that its board of directors shall consist of five or more class A, class B and class C directors (and comprised at all times of one class A director and at least two class C directors). Class A directors are appointed for a maximum period of four years starting on the day after the day of the annual general meeting of shareholders on which they are appointed and ending on the day of the annual general meeting of shareholders that will be held in the fourth year after their appointment. Class B and class C directors are appointed for a period of one year starting on the day after the annual general meeting of shareholders on which they are appointed and ending on the day of the annual general meeting of shareholders that will be held in the next year. There are currently no class B directors on the Mittal Steel board of directors.

The members of the Mittal Steel board of directors as of the date of this prospectus are as set forth below:

Name	Age ⁽⁵⁾	Date		Class/Term	Position within Mittal Steel
		Joined	Board		
Lakshmi N. Mittal	55	May	1997	Class A 2008	Chairman of Mittal Steel's Board of Directors and Chief Executive Officer
Vanisha Mittal Bhatia	25	December	2004	Class A 2008	Member of Mittal Steel's Board of Directors
Lewis B. Kaden ⁽³⁾⁽⁴⁾	63	April	2005	Class C 2006	Member of Mittal Steel's Board of Directors
René Lopez ⁽³⁾⁽⁴⁾	60	November	2002	Class C 2006	Member of Mittal Steel's Board of Directors
Aditya Mittal	29	May	2000	Class A 2008	Member of Mittal Steel's Board of Directors, President and Chief Financial Officer
Muni Krishna T. Reddy ⁽¹⁾⁽²⁾⁽⁴⁾	60	November	2002	Class C 2006	Member of Mittal Steel's Board of Directors
Wilbur L. Ross, Jr.	68	April	2005	Class C 2006	Member of Mittal Steel's Board of Directors
Ambassador Andrés Rozental ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	60	July	1997	Class C 2006	Member of Mittal Steel's Board of Directors
Narayanan Vaghul ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	69	July	1997	Class C 2006	Member of Mittal Steel's Board of Directors

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- (1) Audit Committee
- (2) Nomination Committee
- (3) Remuneration Committee
- (4) Non-executive and independent director
- (5) Age as of December 31, 2005

Lakshmi N. Mittal is the Chairman of the board of directors and Chief Executive Officer of Mittal Steel. He is the founder of Mittal Steel and has been responsible for the strategic direction and development of the Company. He is also a non-executive director of Mittal Steel South Africa, an executive committee member of the International Iron and Steel Institute, a member of the Foreign Investment Council in Kazakhstan, the International Investment Council in South Africa, the World Economic Forum's International Business Council, a director of ICICI Bank Ltd. and is on the Advisory Board of the Kellogg School of Management in the U.S. Mr. Mittal was awarded Fortune magazine's European Businessman of the Year 2004 and was named Entrepreneur of the Year by The Wall Street Journal. He was previously named Steel Maker of the Year in 1996 by New Steel, a leading industry publication and was awarded the 8th honorary Willy Korf Steel Vision Award, the highest recognition for worldwide achievement in the steel industry. The award was presented by American Metal Market and World Steel Dynamics. Mr. Mittal has been chosen for the 2007 Dwight D. Eisenhower-Global Leadership Award.

Vanisha Mittal Bhatia was appointed as a member of the LNM Holdings board of directors in June 2004. Mrs. Vanisha Mittal Bhatia was appointed to Mittal Steel's board of directors in December 2004. She has a Bachelor of Arts degree in Business Administration from the European Business School, and has completed corporate internships at Mittal Shipping Limited, Mittal Steel Hamburg GmbH and with an Internet-based venture capital fund. She is the daughter of Mr. Lakshmi N. Mittal.

Lewis B. Kaden has approximately 38 years of experience in corporate governance, dispute mediation, labor and employment law, and economic policy. He is currently Vice Chairman and Chief Administrative Officer of Citigroup Inc. Prior to that, he was a partner at the law firm of Davis Polk & Wardwell, and served as Counsel to the Governor of New Jersey, as a Professor of Law at Columbia University and as director of Columbia's Center for Law and Economic Studies. He served as a director of Bethlehem Steel Corporation for ten years and is currently Chairman of the Board of Directors of the Markle Foundation. He is a member of the Council on Foreign Relations and the moderator of the Business-Labor Dialogue. Mr. Kaden is a magna cum laude graduate of Harvard College and of Harvard Law School.

René Lopez has approximately 37 years of experience in international finance, manufacturing and marketing with multinational corporations including Alcatel-Alsthom, Cegelec and GEC Alsthom, where he has worked since 1966. He was President and General Manager of Alcatel-Alsthom, Cegelec Industries and GEC Alsthom Canada. During this time he held various directorships, notably at the Canadian standard association and the University of Quebec in Montreal. He received the Commemorative Medal for the 125th Anniversary of the Confederation of Canada. Currently Mr. Lopez is owner and President of Gesterel Inc. in Canada, a consultancy services boutique specializing in mergers and acquisitions, finance and technology transfer management as well as coaching for growing industrial firms.

Aditya Mittal is President and Chief Financial Officer of Mittal Steel. He joined the Company in January 1997 and has held various finance and management roles within the Company. In addition to these responsibilities Aditya was appointed Head of Mergers and Acquisitions for the Company in 1999. In this role, he led the Company's acquisition strategy, resulting in Mittal Steel's expansion into Central Europe, Africa and most recently the United States. This led to Mittal Steel emerging as the world's

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largest and most global steel producer, growing its steel making capacities fourfold. These acquisitions included Polskie Huty Stali in Poland, Nova Hut in Czech Republic, Sidex in Romania, Annaba in Algeria, Iscor in South Africa, and International Steel Group in the US. Prior to his Mergers and Acquisitions responsibilities, in 1997, Aditya managed the initial public offering (IPO) for Ispat International NV. This deal was the largest ever IPO in the steel industry, raising over \$775 million and receiving the Equity Deal of the year award. Aditya is also an active participant in various charitable organizations, most notably the National Society for the Prevention of Cruelty to Children (NSPCC) in the United Kingdom, a Young Presidents Organization member (YPO), and in 2005 was selected as one of the World Economic Forum s Young Global Leaders. He holds a Bachelor s Degree of Science in Economics from the Wharton School in Pennsylvania with concentrations in Strategic Management and Corporate Finance from where he graduated magna cum laude. He is the son of Mr. Lakshmi N. Mittal.

Muni Krishna T. Reddy has over 35 years of experience in financial services and he is presently the Chairman of State Bank of Mauritius Group (SBM Group), Chairman of Bank SBM Madagascar, Chairman of SBM Nedbank International Ltd and Deputy Chairman of Global Financial Services PLC Malta. He holds the following directorships: Director on the Boards of British American (Holdings) Ltd; British American International Corporation Ltd; India Growth Fund Inc, New York; Intercommercial Bank Ltd, Trinidad; Intercommercial Trust & Merchant Bank Ltd; Mauritius Telecom Ltd; and Overseas Telecommunications Services Ltd, South East Asia Regional Fund. Mr. Reddy took over as Chairman of the SBM Group in October 2003, after having been the Chief Executive Officer for SBM Group for more than 16 years. Prior to taking over as Chief Executive Officer of SBM Group in 1987, Mr. Reddy worked in Singapore and India. Mr. Reddy was conferred in 1993 with the title Grand Officer of the Order of the Star and Key of the Indian Ocean (GOSK) by the Government of the Republic of Mauritius for distinguished services in Banking. Mr. Reddy also serves as a director of a number of subsidiaries of the Company.

Wilbur L. Ross, Jr. has served as the Chairman of the ISG board of directors since ISG s inception. Mr. Ross is the Chairman and Chief Executive Officer of WL Ross & Co. LLC, a merchant banking firm, a position he has held since April 2000. Mr. Ross is also the Chairman and Chief Executive Officer of WLR Recovery Fund L.P., WLR Recovery Fund II L.P., Asia Recovery Fund, Asia Recovery Fund Co-Investment, Nippon Investment Partners and Absolute Recovery Hedge Fund. Mr. Ross is also the general partner of WLR Recovery Fund L.P., WLR Recovery Fund II L.P., Asia Recovery Fund, and Absolute Recovery Hedge Fund. Mr. Ross is also Chairman of Ohizumi Manufacturing Company in Japan, International Textile Group, International Coal Group and of Marquis Who s Who, Inc. in the United States, and Insuratex, Ltd. in Bermuda. Mr. Ross is a board member of the Turnaround Management Association, Nikko Electric Co. in Japan, Tong Yang Life Insurance Co. in Korea, and of Syms Corp., Clarent Hospital Corp. and News Communications Inc. in the United States. He is also Director of IAC Acquisition Corporation, Ltd. (UK) and of Compagnie Européenne de Wagons SARL (Luxembourg), Oxford Automotive (Denmark) and Safety Components International (US). He is Director of the Japan Society and of the Yale School of Management. Mr. Ross is also a member of the Business Roundtable. Previously, Mr. Ross served as the Executive Managing Director at Rothschild Inc., an investment banking firm, from October 1974 to March 2000. Mr. Ross was also formerly Chairman of the Smithsonian Institution National Board.

Ambassador Andrés Rozental has a long and distinguished career in the Mexican Diplomatic Service. Over the past 36 years, he has held various senior government and diplomatic posts including Ambassador of Mexico to the United Kingdom, Ambassador of Mexico to the Kingdom of Sweden, Ambassador, Permanent Representative to the United Nations in Geneva, as well as Deputy Foreign Minister of Mexico. From December 2000 to January 2002, he was Ambassador-at-Large and Special Presidential Envoy for President Fox of Mexico. Ambassador Rozental has received several awards, including the Grand Cross of the Polar Star (Sweden) and the Grand Cross of the Civil Merit Order (Spain). He is also an officer of the National Order of Merit (France). Ambassador Rozental is currently a member of the board of managing directors of New India Investment Trust Ltd., Aeroplazas de Mexico and Inmobiliaria Fumisa. He is Chairman of the Board of Latinoamericana de Duty Free and the President of his own consulting firm, Rozental & Asociados in Mexico City. He is President of the Mexican Council on Foreign Relations and a trustee of the Universidad de las Americas and a Board member of the Latin American Advisor and the Pacific Council of International Policy.

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Narayanan Vaghul has 49 years of experience in the financial sector and has been the Chairman of Industrial Credit and Investment Corporation of India Limited for 16 years and of ICICI Bank for the last two years. Prior to this, he was Chairman of the Bank of India and Executive Director of the Central Bank of India. He was chosen as the Businessman of the Year in 1992 by Business India, a leading Indian publication, and has served as a consultant to the World Bank, the International Finance Corporation and the Asian Development Bank. Mr. Vaghul was also a visiting Professor at the Stern Business School at New York University. Mr. Vaghul is Chairman of the Indian Institute of Finance Management & Research and is also a board member of various other companies, including Wipro Limited, Mahindra & Mahindra Limited, Nicholas Piramal India Limited, Apollo Hospitals Limited and Himatsingka Seide Limited.

Senior Management

The members of Mittal Steel's senior management as of the date of this prospectus are as set forth below. The number of members of Mittal Steel senior management has increased since 2004, following the growth of the Company.

Name	Age⁽¹⁾	Position within Mittal Steel
Bhikam C. Agarwal	53	Managing Director, Controlling of Mittal Steel
Ashok Aranha	60	Director, Materials
Roeland Baan	49	Chief Executive Officer of Mittal Steel Europe
Vijay Bhatnagar	58	Chief Executive Officer of Mittal Steel Poland
William A. Brake, Jr.	45	Executive Vice President, Operations of Mittal Steel USA
Narendra Chaudhary	61	Chief Executive Officer of Mittal Steel Kryviy Rih
Arvind Chopra	41	Corporate Director, Internal Assurance
Nawal Kishore Choudhary	63	General Director and Chief Executive Officer of Mittal Steel Temirtau
Davinder Chugh	49	Chief Executive Officer of Mittal Steel South Africa
Simon Evans	42	General Counsel of Mittal Steel
Carlos M. Hernandez	51	General Counsel and Company Secretary - Mittal Steel USA
Richard Leblanc	63	President and Chief Executive Officer of Mittal Canada
Greg Ludkovsky	57	Chief Technology Officer
Sudhir Maheshwari	42	Managing Director, Business Development and Treasury of Mittal Steel
Aditya Mittal	29	President and Group Chief Financial Officer of Mittal Steel
Lakshmi N. Mittal	55	Chief Executive Officer of Mittal Steel

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Malay Mukherjee	58	Chief Operating Officer of Mittal Steel
Gregor Münstermann	46	Chief Executive Officer of Mittal Steel Ostrava
Gerhard Renz	58	Chief Operating Officer of Mittal Steel Europe
Michael G. Rippey	48	Executive Vice President Sales and Marketing - Mittal Steel USA
David Sadler	57	Corporate Director, Health, Safety and Environment
Henk Scheffer	43	Company Secretary of Mittal Steel
Louis Schorsch	56	President and Chief Executive Officer of Mittal Steel USA
Leon V. Schumacher	38	Chief Information Officer
William A. Scotting	47	Director, Continuous Improvement
Kumar Arun Prasad Singh	61	Chief Executive Officer of Mittal Steel Galati
Mahendra Pratap Singh	59	Director, Mining
Pakkam S. Venkataramanan	49	Chief Executive Officer, Mittal Steel Lázaro Cárdenas
Viral C. Vora	52	Director, Shipping
Inder Walia	47	Director, Human Resources

⁽¹⁾ Age as per December 31, 2005

Bhikam C. Agarwal is the Managing Director, Controlling of Mittal Steel and has over 29 years of experience in steel and related industries. He has held various senior executive positions within Mittal Steel and was previously Chief Financial Officer since its formation as Ispat International. He has been responsible for the financial strategy of Mittal Steel and has been a coordinator of its prior activities in the capital markets, two of which received Deal of the Year awards from International Financing Review, a leading global financial publication. Mr. Agarwal has also led the finance and accounting functions of Ispat International across all its operating subsidiaries.

Ashok Aranha is the Director, Materials of Mittal Steel. He joined the Company in 1991 and is responsible for the development and implementation of the Company's purchasing strategy and the implementation of most global purchases for the Company. He has over 35 years of experience in materials and procurement management. Mr. Aranha was the Head of Materials at Ispat Hamburger Stahlwerke (now Mittal Steel Hamburg) and at Caribbean Ispat Limited (now Mittal Steel Point Lisas) prior to this position. He holds an MBA from XLRI, Jamshedpur, India.

Roeland Baan was appointed Chief Executive Officer for Mittal Steel Europe in April 2005. Prior to the merging of Mittal Steel's Central and Eastern European operations with its Western operations in April 2005, Mr. Baan was the Chief Executive Officer for Mittal Steel Central and Eastern Europe since August 2004. He joined Mittal Steel from the global conglomerate SHV Holdings, which lists metals recycling amongst its non-core activities. He spent eight years as a member of the Energy Divisions Executive Committee and was responsible for developing and executing strategy across a number of key regions including Europe, South America and the Mediterranean rim. Prior to this, Mr. Baan spent 16 years with Shell, where he held a number of positions worldwide. He holds a Masters Degree in Economics from Vrije Universiteit in Amsterdam.

Vijay Bhatnagar was appointed the Chief Executive Officer of Mittal Steel Poland in June 2005. Mr. Bhatnagar was previously the Chief Operating Officer of Mittal Steel Temirtau and prior to that he was the Managing Director of Mittal Steel Lázaro Cárdenas a post he held from October 2002. He has over 34 years of experience in the aluminum and electronics industries. Mr. Bhatnagar worked in various line and staff positions at INDAL in India for over 31 years. He later became the Joint Managing Director and then the Managing Director of AT&S Indian operations (a subsidiary of AT&S AG Austria) and worked in these positions from 1999 until 2002. Mr. Bhatnagar is a metallurgical engineer and has a bachelor's degree in Engineering (Metallurgy) from Regional Institute of Technology, Jamshedpur, India.

William A. Brake, Jr. is the Executive Vice President, Operations of Mittal Steel USA. He joined the Company in April 2005 as the Executive Vice President, Eastern Operations.

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Previously Mr. Brake worked for International Steel Group Inc. and then prior to that LTV, for a combined work history of over 17 years holding various positions of increasing responsibility, with a consistent record of success over the years. He holds a bachelor's degree in electrical engineering and a master's degree in business administration both from Case Western Reserve University, Cleveland.

Narendra Chaudhary is the Chief Executive Officer of Mittal Steel Kryviy Rih. Mr. Chaudhary was previously the Corporate Director, Operations and Maintenance, of Mittal Steel and before that the Chief Executive Officer of Mittal Steel Galati, a position he held from December 2001 until April 2005. Prior to joining Mittal Steel Galati, he was Chief Executive Officer of Mittal Steel Temirtau. Mr. Chaudhary possesses over 39 years of experience in a variety of technical and managerial functions in the steel industry. Mr. Chaudhary joined Mittal Steel Lázaro Cárdenas in Mexico, in 1993 as Director, Operations, and became Executive Director in 1996. He worked at various Steel Authority of India Limited, or SAIL, plants in various capacities for 28 years. Mr. Chaudhary has a bachelor's degree in Engineering from Bihar Institute of Technology, India.

Arvind Chopra is the Director, Internal Assurance of Mittal Steel and joined the Company in April 2000 and is responsible for the facilitation of management's performance of risk assessments and for the evaluation of internal controls. He is also in charge of the Company's internal auditing function. Formerly a partner with KPMG, Mr. Chopra has over 20 years of experience in internal auditing, risk management, internal control evaluations and corporate governance related matters. He has also held positions at Arthur Andersen, Nestlé and Price Waterhouse. Mr. Chopra is a member of Institute of Chartered Accountants of India and the Institute of Internal Auditors.

Nawal Kishore Choudhary is the General Director and Chief Executive Officer of Mittal Steel Temirtau, a position he has held since January 2002. Dr. Choudhary started his career as a mining engineer in the Bhilai Steel Plant, India, in 1964. In 1984 he moved to India's largest public sector aluminum company, National Aluminium Company Ltd (Nalco). In 1992 he joined Indian Aluminium Company Ltd, or INDAL, as Chief Engineer - New Projects, to lead the Utkal Alumina Project, a world class mega project. From 1992 to 1998 he worked in various senior positions like the Director and Chief Executive of Utkal Alumina India Ltd and Director and Group President - Smelter, Chemicals & Power. In December 1997 Dr. Choudhary was appointed as a Director of the INDAL Board and Chief Operating Officer of INDAL. In October 1998 he assumed the position of Managing Director - Operations of INDAL. In April 1999 Dr. Choudhary was also appointed as independent Chairman of the Board of Directors of Utkal Alumina International Limited - a joint venture project undertaken by INDAL, Norsk Hydro of Norway and Alcan Aluminium of Canada.

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Davinder Chugh is the Chief Executive Officer of Mittal Steel South Africa and has over 25 years experience in the steel industry, in particular in materials purchasing, logistics, warehousing and shipping. Prior to being appointed Chief Executive Officer, Mr. Chugh held the position of Commercial Director at Mittal Steel South Africa since May 2002. Before joining Mittal Steel South Africa he was vice president of purchasing at Mittal Steel Europe S.A. Mr. Chugh has been with Mittal Steel since 1995 and successfully integrated the materials management functions at newly acquired Mittal Steel plants in Hamburg, Duisburg, France, Romania and Algeria. Prior to this, he held several senior positions at the Steel Authority India Limited in New Delhi, India. He holds degrees in science and law and has a master's degree in business administration.

Simon Evans joined Mittal Steel in September 2001 as General Counsel. He has over 17 years of experience in corporate and commercial law in both industry and private practice. Formerly, Mr. Evans was European Counsel at Rohm and Haas Company and prior to that he worked at the law firm Taylor Joynson Garrett (renamed Taylor Wessing), London. Mr. Evans is a graduate of Oxford University in Oxford, England and the College of Law, Guildford in Surrey, England.

Carlos M. Hernandez is General Counsel and Secretary of Mittal Steel USA Inc. He has served in that capacity since the acquisition of ISG by Mittal Steel on April 15, 2005. Prior to that date, he served as General Counsel and Secretary of ISG. He joined ISG in 2004 after serving as Executive Vice President, General Counsel and Secretary of a large, NYSE-listed distribution company in Dallas, Texas. During the prior 19 years, Mr. Hernandez served in various capacities in the law department of Armco Inc. He began his law career with a law firm in Miami, Florida. He has a Bachelors of Science in Civil Engineering from Purdue University and a Juris Doctor from the University of Miami School of Law.

Richard Leblanc is the Chief Executive Officer Long Products for Mittal Steel North America and the President and Chief Executive Officer of Mittal Canada, and has approximately 36 years of experience in the steel industry. Mr. Leblanc spent 18 years in various senior management positions at Stelco Inc. before joining Mittal Canada in 1987 as Vice-President, Production. He became President and Chief Executive Officer in 1996. Mr. Leblanc is a Director of the American Iron and Steel Institute and the Canadian Steel Producers Association. He holds a bachelor's degree in electrical engineering from Laval University in Quebec, Canada.

Greg Ludkovsky is Chief Technology Officer of the Company, as well as Vice President Research and Development and Chief Technology Officer of Mittal Steel USA. Mr. Ludkovsky joined Inland Steel in 1979 and advanced through a number of positions in steel products research prior to becoming Vice President, Research and Development of Inland Steel in 1995. Dr. Ludkovsky has a Ph.D. in Metallurgical Engineering.

Sudhir Maheshwari is the Managing Director, Business Development and Treasury of Mittal Steel and has over 19 years of experience in steel and related industries. He was previously the Chief Financial Officer of LNM Holdings since January 2002 until its merger with Ispat International in December 2004. He has played an integral and key role in all the recent acquisitions by Mittal Steel. He has also played a key role in various corporate finance and capital market projects including the initial public offering in 1997. Mr. Maheshwari has worked for Mittal Steel for over 17 years. He held the positions of Chief Financial Officer at Mittal Steel Europe S.A., Mittal Steel Germany and Mittal Steel Point Lisas, and Director of Finance and Mergers & Acquisitions at Mittal Steel. Mr. Maheshwari also serves on the Board of various subsidiaries of Mittal Steel. Mr. Maheshwari is an Honours Graduate in Accounting and Commerce and a member of The Institute of Chartered Accountants and The Institute of Company Secretaries in India.

Malay Mukherjee is the Chief Operating Officer of Mittal Steel and has over 33 years of experience in a range of technical, commercial and general management roles in the steel industry. Mr. Mukherjee has held various senior management positions within Mittal Steel, including Managing Director of Mittal Steel Lázaro Cárdenas and President and Chief Executive Officer of Mittal Steel Europe S.A. He has also served as Managing Director of Mittal Steel Temirtau.

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Gregor Münstermann is the Chief Executive Officer of Mittal Steel Ostrava. Prior to this he was Chief Executive Officer at Mittal Steel Hamburg, a position he held since March 2001. He has over 16 years experience in the steel industry. His previous positions include General Manager of the Steel Plant and the Direct Reduction Plant. Mr. Münstermann holds a Diploma at University Clausthal-Zellerfeld.

Gerhard Renz is the President and Chief Operating Officer of Mittal Steel Europe and has over 30 years of experience in the steel industry. Mr. Renz formerly worked as Managing Director of Mittal Steel Hamburg, Mittal Steel Duisburg and Mittal Steel Germany. Mr. Renz is a board member of Verein Deutsche Eisenhüttenleute, Wirtschaftsvereinigung Stahl and the European Iron and Steel Institute (taken over by Eurofer). He holds a German (bachelor's) degree in engineering.

Michael G. Rippey is the Executive Vice President, Sales and Marketing of Mittal Steel USA. Prior to his current position, Mr. Rippey was executive vice president, commercial, and chief financial officer at Ispat Inland. Mr. Rippey joined Inland Steel in 1984 and has had a career of increasingly responsible assignments becoming an officer in 1998 with responsibilities for sales, finance, human resources, law and purchasing. He has a bachelor's degree in marketing from Indiana University; a master's degree in banking and finance from Loyola University; and a master of business administration degree from the University of Chicago.

David Sadler joined Mittal Steel in October 2005 as Director, Health, Safety and Environment. In this role he is responsible for implementing a unified code across these areas, ensuring that all Mittal Steel units work to the same common standards of excellence. Mr. Sadler has a wealth of experience in the international mining industry, in numerous roles where he was responsible for both operational and health, safety and environmental performance. He joined Mittal Steel from the world mining giant Rio Tinto, where he was Head of Safety Improvement since April 2004. Mr. Sadler holds a first class degree in Metallurgy, a Masters degree in Metallurgical Quality Control and a Certificate in Education from Garnett College, London. He has completed various management courses including the Advanced Management Programme and the International Manufacturing Programme, both at INSEAD, France.

Henk Scheffer joined Mittal Steel in March 2003 as Company Secretary and is responsible for compliance with corporate legal requirements and supporting and facilitating Mittal Steel's board of directors. Previously, Mr. Scheffer worked at Canon for 13 years in various legal and general management positions. Mr. Scheffer holds a law degree from Rijks Universiteit Groningen (RUG). In August 2005 Mr. Scheffer was re-admitted as an attorney to the Rotterdam Bar. He was previously admitted to the Amsterdam Bar.

Louis Schorsch was appointed President and Chief Executive Officer of Mittal Steel USA in April 2005. Prior to this, Dr. Schorsch was the President and Chief Executive Officer of Ispat Inland. He has over 26 years of experience in consulting and managerial roles predominantly relating to the steel industry. Prior to joining Ispat Inland in October 2003, Dr. Schorsch held various senior positions in the consulting and e-commerce sectors. His immediate previous assignments have been as President and Chief Executive Officer of GSX.Com Inc. and Principal at McKinsey & Company, where he worked from 1985 until 2000. While at McKinsey, he was a co-leader of the firm's metals practice. Dr. Schorsch has published numerous articles in such publications as Business Week and Challenge and has also co-authored a book on steel titled "Upheaval in a Basic Industry."

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Leon V. Schumacher joined the Group in September 2003 to lead the Group's Information Technology activities. He joined Mittal Steel from the management board of Arcelor International, where he was responsible for logistics, marketing and IT. Mr. Schumacher has 12 years of experience in the steel industry in information technology, operations and financial roles. He has also held positions at GSX.Com, TradeARBED and ProfilARBED and worked for many years in the United States. Mr. Schumacher holds a Master's Degree in Electrical Engineering from Ecole Polytechnique Federale (EPF) in Zurich, Switzerland and a Master's Degree in Management from HEC Business School in Paris, France.

William A. Scotting joined Mittal Steel in September 2002 to lead the Company's Continuous Improvement activities. Mr. Scotting has 20 years experience in the steel industry in technical, operations management and consulting roles. Formerly an Associate Principal at McKinsey & Company, he has also held positions at BHP Steel, Pioneer Concrete (UK), Mascott Partnership and CRU International. Mr. Scotting holds a Bachelor of Science (Metallurgy) degree from the University of Newcastle in Australia, where he was awarded the Australasian Institute of Metallurgy Prize for Metallurgy, and an MBA (with distinction) from Warwick Business School in the UK. Mr. Scotting is a member of the Board of Directors of Mittal Steel Galati S.A., and JSC Mittal Steel Temirtau, and a member of the Supervisory Board of Mittal Steel Hamburg GmbH.

Kumar Arun Prasad Singh is the Chief Executive Officer of Mittal Steel Galati. Prior to the merging of Mittal Steel's Central and Eastern European operations with its Western operations, Mr. Singh was the Chief Operating Officer of Mittal Steel Ostrava. With over 40 years experience in the steel industry, Mr. Singh joined Mittal Steel Lázaro Cárdenas in 1999 as Executive Director, Operations and was elevated to Chief Executive Officer in 2001. He moved to Mittal Steel Ostrava in 2002 as Chief Operating Officer and a member of its Management Board to oversee all operational aspects of the business. Mr. Singh was also appointed Chief Operating Officer of Mittal Steel Poland in 2004.

Mahendra Pratap Singh joined the Company in 1995. Currently as Director, Mining, Mr. Singh is responsible for expanding the mining base of the Company through acquisitions of additional mining resources and through capacity expansion of existing mining resources. Prior to his current position, Mr. Singh was Director Mining at Mittal Steel Temirtau. Mr. Singh has over 37 years experience in management, control and supervision of large sized coal, iron ore and limestone mines. Besides holding the Bachelor's Degree in Mining Engineering, Mr. Singh is an Associate of the Indian School of Mines and holder of a First Class Mines Manager certificate of competency.

Pakkam S. Venkataramanan has worked for Mittal Steel since 1993, when he joined Mittal Steel Lázaro Cárdenas as Manager, Sales and Marketing. He spent eleven years in Mexico, rising to Director, Marketing, where he was responsible for overseeing and implementing the company's sales strategy and building long-term relationships with customers. Having successfully developed Lázaro Cárdenas Sales and Marketing strategy, Mr. Venkataramanan then took up the position as Vice President, Sales and Marketing at Mittal Canada in 2004. Prior to joining Mittal Steel, he worked for the Steel Authority of India for 14 years in various sales and marketing positions. He holds post graduate degrees in Geology and Public Administration, from India. He was appointed as the Chief Executive Officer of Mittal Steel Lázaro Cárdenas in May 2005.

Viral C. Vora joined the Company in 1989. As Director, Shipping, Mr. Vora is responsible for the implementation of transportation strategy and policy for the Company's raw materials and finished products. He is also responsible for the operation, chartering and management of the Company owned/chartered ships. He has over 31 years of experience in the shipping industry and has worked in the areas of chartering, operations and insurance. Mr. Vora was formerly General Manager, Shipping at Caribbean Ispat Limited (now Mittal Steel Point Lisas). Mr. Vora has a degree in statistics and mathematics.

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Inder Walia is Director, Human Resources of Mittal Steel and joined the Company in 2000 and is responsible for the development and implementation of human resources strategies for the Company. He has 24 years of experience in human resources positions. He has a post-graduate degree in Human Resources from Tata Institute of Social Sciences, Mumbai, India. He is also an active member of various human resource committees. Mr. Walia has held various positions in human resources at Modi Corp. and HCL Hewlett Packard.

Table of Contents**DESCRIPTION OF MITTAL STEEL S SHARE CAPITAL**

Set out below is a description of the Mittal Steel class A common shares and class B common shares that does not purport to be complete and is qualified in its entirety by reference to, and should be read in conjunction with, the full text of Mittal Steel s Articles of Association and the applicable provisions of Book 2 of the Dutch Civil Code. The full text of the Company s Articles of Association is available at Mittal Steel s offices and is available at www.mittalsteel.com.

The Mittal Steel class A common shares are being created under Dutch law, and will be subject to the provisions attached to, and rank *pari passu* with, all existing class A common shares from the date of issue as set forth in Mittal Steel s Articles of Association and the applicable provisions of Book 2 of the Dutch Civil Code.

Share Capital

As at December 31, 2005, the authorized common shares of Mittal Steel consisted of 5,000,000,000 class A common shares, par value of 0.01 per share, and 721,500,000 class B common shares, par value of 0.10 per share. At December 31, 2005, 255,401,673 (2004: 194,509,790) class A common shares and 457,490,210 (2004: 457,490,210) class B common shares were issued and 246,572,889 (2004: 185,284,650) class A common shares and 457,490,210 (2004: 457,490,210) class B common shares were outstanding.

The preference and relative rights of the Mittal Steel class A common shares and Mittal Steel class B common shares are substantially identical except for disparity in voting power and conversion rights. Holders of Mittal Steel class A common shares are entitled to one vote per share and holders of Mittal Steel class B common shares are currently entitled to ten votes per share on all matters submitted to a vote of shareholders. Each Mittal Steel class B common share is convertible, at the option of the holder, into one Mittal Steel class A common share.

Since Mittal Steel s shareholder base will change significantly as a result of the transaction, the Controlling Shareholder has undertaken, conditional upon the closing of the Offer and the exchange of New Mittal Steel Shares for Arcelor shares pursuant thereto, to reduce the multiple voting rights attaching to its class B common shares from ten to two voting rights per class B common share.

The following table sets forth information as of December 31, 2005 with respect to the beneficial ownership of Mittal Steel class A common shares and Mittal Steel class B common shares by each person who is known to be the beneficial owner of more than 5% of either class of shares, and all directors and senior management as a group.

	Mittal Steel Class A Common Shares ⁽¹⁾		Mittal Steel Class B Common Shares		Total Common Shares ⁽¹⁾	
	Number	% of Class	Number	% of Class	Number	% of Total
Controlling Shareholder ⁽²⁾	166,074,790	65.02%	457,490,210	100%	623,565,000	87.47%
Treasury Stock ⁽³⁾	8,189,617 ⁽⁴⁾	3.21			8,189,617	1.15
Other Public Shareholders	81,137,266	31.77			81,137,266	11.38
Total	255,401,673	100.00%	457,490,210	100%	712,891,883	100.00%
Directors and Senior Management ⁽⁵⁾	3,363,916 ⁽⁶⁾⁽⁷⁾	1.32%			3,363,916 ⁽⁶⁾⁽⁷⁾	0.47%

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- (1) For purposes of this table a person or group of persons is deemed to have beneficial ownership of any Mittal Steel class A common shares as of a given date which such person or group of persons has the right to acquire within 60 days after December 31, 2005 upon exercise of vested portions of stock options. The first third of the stock options granted on August 23, 2005 will vest on August 23, 2006; all stock options of the previous grants have vested. The amounts in the table do not include the number of Mittal Steel class A common shares to be received upon conversion of the Mittal Steel class B common shares.
- (2) Mr. Lakshmi Mittal and his wife, Mrs. Usha Mittal, together control Mittal Steel through direct ownership of Mittal Steel class A common shares and through indirect ownership of holding companies that own both Mittal Steel class A common shares and Mittal Steel class B common shares. Ispat International Investments S.L. is the owner of 26,100,000 Mittal Steel class A common shares and 72,150,000 Mittal Steel class B common shares. As a result, Ispat International Investments S.L. is the beneficial owner of 98,250,000 class A common shares (assuming conversion of the Mittal Steel class B common shares into Mittal Steel class A common shares). Mittal Investments S.à r.l., a limited liability company organized under the laws of Luxembourg, is the owner of 139,659,790 Mittal Steel class A common shares and 385,340,210 Mittal class B common shares. As a result, Mittal Investments S.à r.l. is the beneficial owner of 525,000,000 Mittal Steel class A common shares (assuming conversion of the Mittal Steel class B common shares into Mittal Steel class A common shares). Mr. Mittal is the direct owner of 30,000 Mittal Steel class A common shares and holds options to acquire an additional 340,000 Mittal Steel class A common shares of which 240,000 are, for the purposes of this table, deemed to be beneficially owned by Mr. Mittal due to the fact that those options are exercisable within 60 days. Mrs. Mittal is the direct owner of 5,000 Mittal Steel class A common shares and holds options to acquire an additional 40,000 Mittal Steel class A common shares of which all 40,000 options are, for the purposes of this table, deemed to be beneficially owned by Mrs. Mittal due to the fact that those options are exercisable within 60 days. Mr. Mittal and Mrs. Mittal share equally beneficial ownership of 100% of Ispat International Investments S.L. and share equally beneficial ownership of 100% of Mittal Investments S.à r.l. Accordingly, Mr. Mittal is the beneficial owner of 623,520,000 Mittal Steel class A common shares and Mrs. Mittal is the beneficial owner of 623,295,000 class A common shares (in each case, assuming conversion of the Mittal Steel class B shares into Mittal Steel class A common shares). Excluding options and assuming no conversion of the Mittal Steel class B common shares into Mittal Steel class A common shares, Mr. Lakshmi Mittal and Mrs. Usha Mittal, together directly and indirectly through intermediate holding companies, own 165,794,790 Mittal Steel class A common shares and 457,490,210 Mittal Steel class B common shares.
- (3) Represents Mittal Steel class A common shares repurchased by Mittal Steel pursuant to the previously announced share repurchase programs of Mittal Steel.
- (4) Consisting of 5,300,000 Mittal Steel class A common shares repurchased in the year ended December 31, 2004, 2,263,000 Mittal Steel class A common shares repurchased in fiscal year ended December 31, 2003, 139,200 Mittal Steel class A common shares repurchased in fiscal year ended December 31, 2002, 368,000 Mittal Steel class A common shares repurchased in fiscal year ended December 31, 2001, 242,600 Mittal Steel class A common shares repurchased in fiscal year ended December 31, 2000, 5,358,200 Mittal Steel class A common shares repurchased in the fiscal year ended December 31, 1998 and 1,458,960 Mittal Steel class A common shares repurchased in the fiscal year ended December 31, 1997 and excluding 253,140 Mittal Steel class A common shares awarded to certain senior executives of Mittal Steel, 23,532, 2,117,781 and 2,081,833 Mittal Steel class A common shares issued to Inland's pension fund in 2003, 2002 and 2001 respectively, and 91,166 Mittal Steel class A common shares for options exercised under Mittal Steel's pension plan during 2003, excluding 1,384,118 Mittal Steel class A common shares for options exercised between December 31, 2003 and December 31, 2004, excluding 349,606 Mittal Steel class A common shares for options exercised between December 31, 2004 and December 31, 2005, excluding 359,167 stock options that can be exercised by directors and senior management (other than the Controlling Shareholder) and excluding 280,000 stock options that can be exercised by the Controlling Shareholder, in each case within 60 days of December 31, 2005. No Mittal Steel class A common shares were repurchased during 2005.
- (5) Excludes shares beneficially owned by the Controlling Shareholder.
- (6) These 3,363,916 Mittal Steel class A common shares are included in shares owned by public shareholders indicated above.
- (7) During 1998, Mittal Steel awarded 198,750 common shares to certain senior management of Mittal Steel in connection with Mittal Steel's initial public offering undertaken in 1997 and also awarded 54,390 common shares to certain senior executives as bonus shares in connection with Mittal Steel's stock bonus plan.

Pursuant to Mittal Steel's Articles of Association, amended and restated as of June 21, 2005, the Mittal Steel class A common shares may only be held in registered form. These shares may consist of either shares traded on the NYSE, or New York Shares, which are registered in a register kept by or on behalf of Mittal Steel by its New York transfer agent, or shares traded on Euronext Amsterdam, which are registered in a register kept by or on behalf of Mittal Steel by its Dutch transfer agent. Class A common shares in registered form may be evidenced by share certificates at the option of the shareholder concerned.

Major Shareholders

As of December 31, 2005, the Controlling Shareholder owned directly and indirectly through holding companies 165,794,790 Mittal Steel class A common shares (approximately 67.2% of the issued and outstanding class (save for class A common shares held in treasury)) and 457,490,210 Mittal Steel class B common shares (100% of the issued and outstanding class), representing approximately 98.3% of the combined voting interest in Mittal Steel. On completion of the acquisition of LNM Holdings on

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December 17, 2004, 139,659,790 Mittal Steel class A common shares and 385,340,210 Mittal Steel class B common shares were issued to an intermediate holding company owned by the Controlling Shareholder. Prior to the completion of the acquisition of LNM Holdings, the Controlling Shareholder owned 26,135,000 Mittal Steel class A common shares (approximately 57.5% of the then-issued and outstanding class (save for class A common shares held in treasury)) and 72,150,000 Mittal Steel class B common shares (100% of the then-issued and outstanding class), representing approximately 97.5% of the then-combined voting interest in Mittal Steel.

Mr. Lakshmi N. Mittal, by virtue of his ownership of Mittal Steel class B common shares, has the right to make binding nominations for the appointment of all members of Mittal Steel's board of directors and to determine the outcome of any action requiring shareholder approval. In addition, Mr. Lakshmi N. Mittal will have the ability, by virtue of his ownership of Mittal Steel class B common shares, to prevent or cause a change in control of Mittal Steel and its subsidiaries.

Since Mittal Steel's shareholder base will change significantly as a result of the transaction, the Controlling Shareholder has undertaken, conditional upon the closing of the Offer and the exchange of the New Mittal Steel Shares for Arcelor Shares and/or Convertible Bonds pursuant thereto, to reduce the multiple voting rights attaching to its class B common shares from ten to two voting rights per class B common share. The reduction in the number of voting rights attached to the class B common shares would be implemented through a reduction of the nominal value of each of the issued class B common shares from 0.10 per share to 0.02 per share without repayment of the difference of 0.08 per share to the relevant holders of class B common shares.

New Class A Common Shares

Completion of the Offer is subject to Mittal Steel's shareholders' meeting approving the Offer pursuant to Article 2:107a of the Dutch Civil Code and designating the Mittal Steel Board of Directors as the authorized corporate body for the purpose of resolving upon the issuance of the New Mittal Steel Shares in consideration for Arcelor shares and Convertible Bonds. Said shareholders' meeting of Mittal Steel will be held before the end of the acceptance period of the Offer. Mittal Investments S.à r.l. and ISPAT International Investments S.L., two holding companies of the Controlling Shareholder, which together have 98.3% of the voting rights of Mittal Steel, have undertaken to vote in favor of the approval of the transaction and the increase of authorized capital necessary to consummate the Offer.

The authorization of the shareholders' meeting of Mittal Steel to allow the Board of Directors to issue the New Mittal Steel Shares requires a simple majority vote. There is no quorum requirement. Mittal Steel's shareholders have no pre-emptive rights to subscribe for any of the New Mittal Steel Shares since the New Mittal Steel Shares are issued in return for a contribution in kind. There is also no minimum price requirement, other than that the New Mittal Steel Shares cannot be issued at a price below the par value of such shares (0.01 per share) and that the relevant authorized body can decide to require a minimum price. Finally, since the contribution in kind, the Arcelor shares and Convertible Bonds, concern securities that are listed on a stock exchange, there is no requirement for a valuation report drawn up by a Dutch certified accountant with respect to the contributed Arcelor shares and Convertible Bonds.

The new class A common shares will be in registered form, freely transferable, and rank *pari passu* with all existing Mittal Steel class A common shares as from the date of issue. The maximum number of New Mittal Steel Shares that could be issued in relation to the Offer will be 547.6 million (assuming a 100% acceptance level, the conversion of all Convertible Bonds to shares and the tendering of all treasury shares).

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Form and Transfer of Shares

Both the class A common shares and the class B common shares of Mittal Steel are in registered form. Class A common shares are available in the form of an entry in the share register of Mittal Steel both with or without the issuance of a share certificate, at the option of the shareholder concerned. No share certificates will be issued in respect of class B common shares.

Subject to Dutch law and the Articles of Association, shares in registered form can only be transferred by a written deed of transfer and the acknowledgement of the transfer by Mittal Steel, all in accordance with the provisions of Dutch law and the Articles of Association.

The class A common shares are freely transferable. The class A common shares have no conversion rights.

Each class B common share is convertible at any time and from time to time at the option of the holder thereof into one class A common share. However, the conversion of a class B common share into a class A common share is a reduction of the issued share capital of Mittal Steel under the laws of The Netherlands and requires approval by the shareholders. In addition, the conversion of a class B common share into a class A common share will result in a reduction of the votes of the holder from ten to one.

Issuance of Common Shares

Pursuant to the Articles of Association of Mittal Steel, a general meeting of shareholders can designate Mittal Steel's board of directors as the authorized corporate body for the purpose of resolving upon the issuance of shares by Mittal Steel and to determine the price and further conditions of such share issuance. Such a designation can only be valid for a specific period of no more than five years and may from time to time be extended for a period of not more than five years.

A resolution to resolve upon the issuance of shares, including the designation of Mittal Steel's board of directors as the authorized corporate body for the purpose of resolving upon the issuance of shares, requires a simple majority of the votes cast, without a quorum requirement.

At the annual meeting of shareholders held on May 26, 2005, Mittal Steel shareholders extended the authority to Mittal Steel's board of directors for a period of one year (until the annual meeting of shareholders to be held in 2006) to issue and/or grant rights to subscribe for shares with respect to 10% of the unissued class A common shares into which the authorized share capital of Mittal Steel is divided at the time the resolution to issue or grant rights to subscribe for common shares taken by Mittal Steel's board of directors.

On April 19, 2005, Mittal Steel's board of directors adopted a resolution under this authority in order to issue such number of Mittal Steel class A common shares required to be issued to ISG (now Mittal Steel USA stockholders, pursuant to the acquisition agreement with ISG).

Pre-emptive Rights

Unless limited or excluded by Mittal Steel's shareholders or board of directors as described below, holders of each class of common shares have a pro rata pre-emptive right to subscribe for any newly issued common shares of such class, except for common shares issued for consideration other than cash or issued to Mittal Steel employees or employees of any of its operating subsidiaries.

A resolution to exclude or limit pre-emptive rights, including the designation of Mittal Steel's board of directors as the authorized corporate body for the purpose of resolving upon the exclusion or limitation of pre-emptive rights, requires the approval of at least a majority of the votes cast and, if less than half of the issued share capital is represented at the meeting at which the vote is taken, the approval of at least two-thirds of the votes cast.

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At the extraordinary meeting held on December 15, 2004, shareholders delegated authority to members of Mittal Steel's board of directors to limit or exclude preemptive rights in respect of issuances of Mittal Steel class A common shares for a period of five years (the maximum permitted by the laws of The Netherlands). At the annual meeting of shareholders held on May 26, 2005, Mittal Steel shareholders resolved to reduce such authority to a period of one year (until the annual meeting of shareholders to be held in 2006).

Repurchase of Shares

Mittal Steel may acquire its own common shares, subject to certain provisions of the laws of The Netherlands and of its Articles of Association, if and insofar as:

shareholders' equity, less the amount to be paid for the common shares to be acquired, is not less than the sum of Mittal Steel's issued share capital plus any legal reserve and the Special Reserve required to be maintained by the laws of The Netherlands or Mittal Steel's Articles of Association; and

Mittal Steel and its subsidiaries would thereafter not hold, or hold as pledgee, common shares with an aggregate par value exceeding one tenth of Mittal Steel's issued share capital.

Purchases by Mittal Steel of its common shares may be effected by Mittal Steel's board of directors only if the shareholders have authorized Mittal Steel's board of directors to effect such repurchases and such authorization has been granted within 18 months (the maximum permitted by the laws of The Netherlands) prior to the date of purchase.

A resolution to resolve upon the repurchase of shares, including the designation of Mittal Steel's board of directors as the authorized corporate body for the purpose of resolving upon the repurchase of shares, requires a simple majority of the votes cast, without a quorum requirement.

At the extraordinary meeting held on December 15, 2004, shareholders granted the authority to Mittal Steel's board of directors to repurchase up to 10% of the issued share capital of Mittal Steel, in the form of class A common shares and class B common shares, for a period of 18 months effective from the date of the extraordinary meeting until June 14, 2006.

At the annual meeting of shareholders held on May 26, 2005, Mittal Steel shareholders resolved to authorize Mittal Steel's board of directors, with effect from the date of the annual meeting held on May 26, 2005, to cause Mittal Steel to acquire up to 10% of its own share capital issued at the time of acquisition, in the form of class A shares, on the NYSE, Euronext Amsterdam or otherwise, for a period of 18 months (ending on November 25, 2006), for a purchase price per class A common share to be paid in cash, of not more than 125% of the share price on the NYSE or Euronext Amsterdam and no less than the nominal value of the share at the time of repurchase. The price on the NYSE or Euronext Amsterdam will be the higher of: (a) the average of the final listing price per class A common share according to the Official Price List of Euronext Amsterdam during the 30 consecutive days on which Euronext Amsterdam is open for trading preceding the three trading days prior to the date of repurchase, and (b) the average of the closing price per class A common share on the NYSE during 30 consecutive days on which the NYSE is open for trading preceding the three trading days prior to the date of repurchase.

The authorization granted to Mittal Steel's board of directors at the extraordinary meeting of shareholders held on December 15, 2004 in respect of the class B common shares will continue and will expire on June 14, 2006.

Table of Contents**Capital Reduction**

The shareholders of Mittal Steel may reduce its issued share capital by canceling common shares held by Mittal Steel, by canceling all common shares of a specific class or by reducing the par value of common shares, subject to certain statutory provisions. A resolution to reduce the issued share capital requires the approval of at least a majority of the votes cast and, if less than half of the issued share capital is represented at the meeting at which the vote is taken, the approval of at least two thirds of the votes cast. In addition, the prior or simultaneous approval of each group of holders of the class of common shares to which the capital reduction relates is required. Mittal Steel is required to file any resolution of shareholders reducing its share capital with the trade register of the Chamber of Commerce and Industry in the district in which it has its corporate seat and to publish the filing in a national daily newspaper. During the two-month period after the filing is made, creditors of Mittal Steel may oppose such reduction of share capital.

General Meeting

Each shareholder of Mittal Steel has the right to attend general meetings of shareholders, either in person or by proxy, to address shareholder meetings and to exercise voting rights, subject to the provisions of Mittal Steel's Articles of Association. There is no minimum shareholding required to be able to attend or vote at a general meeting of shareholders. An annual general meeting of shareholders will be held within six months after the end of each financial year in The Netherlands, in Amsterdam, Haarlemmermeer (Schiphol Airport), The Hague or Rotterdam. Extraordinary general meetings of shareholders may be held as often as Mittal Steel's board of directors deems necessary. In addition, one or more shareholders and other persons entitled to attend such meetings jointly representing at least 10% of the total outstanding share capital may request that a general meeting of shareholders be convened.

Mittal Steel will give notice of each meeting of shareholders by notice published by advertisement, which shall be published in at least one national daily newspaper distributed throughout The Netherlands and in the Official Price List (*Officiële Prijscourant*) of Euronext Amsterdam N.V. and, if required, elsewhere. In addition, holders of registered shares who have their ownership recorded directly in Mittal Steel's shareholders' register shall be notified by letter that the meeting is being convened. Such notices will be given no later than on the 15th day prior to the day of the meeting and will include, or be accompanied by, an agenda (or state where such agenda may be obtained) identifying the business to be considered at the meeting.

Mittal Steel's board of directors may set a record date to establish which shareholders are entitled to attend and vote at the meeting of shareholders.

The agenda is to contain the items selected by the person(s) convening the meeting and required by Dutch law or Mittal Steel's Articles of Association. In addition, unless it would be detrimental to the vital interests of Mittal Steel, the agenda must also contain the items requested in writing by one or more shareholders or other persons entitled to attend general meetings of shareholders, alone or together representing at least 1% of the issued share capital or representing the amount of market capitalization set by law (at present being 50 million). Such request must have been received by Mittal Steel not later than on the sixtieth day prior to that of the meeting.

Voting Rights

Each Mittal Steel class A common share entitles its holder to one vote and each Mittal Steel class B common share currently entitles its holder to ten votes (to be reduced to two votes in case of successful completion of the Offer) on each matter to be voted upon by shareholders. Shareholders will vote as a single class on all matters submitted to a vote of the general meeting of shareholders, including, without limitation, the appointment of Class A, B and C directors to Mittal Steel's board of directors and any proposed amendment of Mittal Steel's Articles of Association.

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Mittal Steel's Articles of Association currently provide that the board of directors must consist of five or more Class A, B and C directors, and must have at all times one Class A director and at least two Class C directors. Class A directors are appointed for a period of four years, whereas Class B and C directors will be elected to serve one-year terms.

The entire board of directors acting jointly can represent and bind Mittal Steel. In addition, each Class A director can represent and bind Mittal Steel individually. A Class B director acting jointly with another Class B director can represent and bind Mittal Steel, and a Class C director acting jointly with two Class B directors or one Class A director can represent and bind Mittal Steel. Except with respect to the power to represent and bind Mittal Steel, all directors have equal rights and obligations.

The holders of Mittal Steel class B common shares have the right to make a binding nomination for the appointment of a Class A, B or C director to Mittal Steel's board of directors. The general meeting of shareholders may at all times resolve by a resolution passed by an absolute majority of the votes cast at the meeting and representing at least one-third of the issued share capital to overrule such binding nomination. Unless otherwise required by Mittal Steel's Articles of Association or the laws of The Netherlands, resolutions of the general meeting of shareholders will be validly adopted by a simple majority of the votes cast. Except in limited circumstances provided for in Mittal Steel's Articles of Association or under the laws of The Netherlands, there is no quorum requirement for the valid adoption of shareholder resolutions.

Major shareholders in Mittal Steel have no special or enhanced voting rights as a result of their larger shareholdings; their voting rights correspond to the number of class A and/or class B common shares they hold and the votes attached to such shares.

Reduction of Class B Voting Rights

Since Mittal Steel's shareholder base will change significantly as a result of the transaction, the Controlling Shareholder has undertaken, conditional upon the closing of the Offer and the exchange of the New Mittal Steel Shares for Arcelor shares and/or Convertible Bonds pursuant thereto, to reduce the multiple voting rights attaching to its class B common shares from ten to two voting rights per class B common share.

The reduction in the number of voting rights attached to the class B common shares would be implemented through a reduction of the nominal value of each of the issued class B common shares from 0.10 per share to 0.02 per share (capital reduction) without repayment of the difference of 0.08 per share to the relevant holders of class B common shares.

The share capital will be reduced accordingly, according to the procedure described above in The Offer Intentions of Mittal Steel Intentions regarding Corporate Governance for the Group.

The reduction of 0.08 per class B common share shall be attributed to a special reserve.

The proposed capital reduction, including the proposed voting rights reduction, is expected to be conditionally approved by a resolution of the annual general meeting of shareholders of Mittal Steel on [May 9], 2006, and a resolution of the meeting of class B common shares, approving the proposed capital reduction, on [May 9], 2006 (the Capital Reduction Resolutions). The Controlling Shareholder has committed to vote in favor of the proposed voting rights reduction.

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Upon the closing of the Offer and the issue of the New Mittal Steel Shares in exchange for Arcelor shares and/or Convertible Bonds pursuant thereto, the following steps will be taken:

First, Mittal Steel shall file a copy of the Capital Reduction Resolutions with the Commercial Register in Rotterdam.

Second, following the filing of the Capital Reduction Resolutions, Mittal Steel shall publish a notice regarding the filing of the Capital Reduction Resolutions in a Dutch nationally distributed daily newspaper.

Third, following the publication of the notice, there is a two month waiting period during which creditors of Mittal Steel may oppose the decision to reduce the capital and request Mittal Steel to provide for a guarantee or other form of security to secure the satisfaction of such creditor's claim, unless payment of such creditor's claim is sufficiently secured or if the financial condition of Mittal Steel provides sufficient security that such creditor's claim will be paid.

Finally, upon expiration of the two-month waiting period and provided that the decision to reduce the capital has not been opposed, or any opposition by a creditor of Mittal Steel has been resolved, the capital reduction will be implemented by amending the Mittal Steel Articles of Association through the execution of a notarial deed of amendment, and the registration of the capital reduction with the Commercial Register in Rotterdam.

Annual Accounts

Each year, Mittal Steel's board of directors must prepare annual accounts within five months after the end of Mittal Steel's financial year, unless the shareholders have approved an extension of this period for up to six additional months due to certain special circumstances recognized as such under the laws of The Netherlands. The annual accounts must be made available for inspection by shareholders at the offices of Mittal Steel within the same period.

Subject to Dutch law, the annual accounts must be accompanied by an auditors' certificate, an annual report and certain other mandatory information. The shareholders shall appoint an accountant as referred to in Article 393 of Book 2 of the Dutch Civil Code to audit the annual accounts. The general meeting of shareholders shall adopt the annual accounts.

Dividends

Mittal Steel's board of directors may reserve a portion of Mittal Steel's annual profits. The portion of Mittal Steel's annual profits that remains unreserved shall be distributed to shareholders of Mittal Steel pro rata based on the number of common shares held by each shareholder, without regard to the class or par value of such common shares. Mittal Steel's board of directors may resolve that Mittal Steel make distributions out of its general share premium account or out of any other reserves available for distributions under the laws of The Netherlands, not being a legal reserve or the special share premium reserve that Mittal Steel is required to maintain pursuant to Article 36.1 of its Articles of Association, or the Special Reserve (as defined elsewhere in this prospectus). The Special Reserve was created to ensure that the holders of class A common shares and class B common shares have equal dividend rights. Mittal Steel may declare dividends in the form of common shares as well as in cash. Mittal Steel's board of directors may also decide that Mittal Steel pay interim dividends. Mittal Steel may only declare distributions, including interim dividends, insofar as its shareholders' equity exceeds, on a non-consolidated basis, the sum of its paid up issued share capital and certain reserves that are required to be maintained by the laws of The Netherlands or Mittal Steel's Articles of Association (including the Special Reserve).

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The Mittal Steel board of directors may set a record date to establish which shareholders are entitled to dividends and the date upon which such dividends will become payable. Distributions that have not been claimed within five years and two days after the date on which they became due and payable revert to Mittal Steel.

Article 36.3 of Mittal Steel's Articles of Association provides that as soon as all of the outstanding class B common shares have been converted into class A common shares, the balance of the Special Reserve shall be added to the general share premium reserve, whereupon the Special Reserve shall cease to exist.

All calculations to determine the amounts available for dividends will be based on Mittal Steel's statutory accounts, which will, as a holding company, be different from its consolidated accounts. Mittal Steel's statutory accounts have to date been prepared, and will continue to be prepared, under Dutch GAAP and are deposited with the Commercial Register in Rotterdam, The Netherlands. As of December 31, 2004, the net results and the sum of the equity as set out in the statutory accounts were \$4,271 million and \$8,824 million, respectively. Because Mittal Steel is a holding company and has no operations of its own, it is dependent on dividends or other advances from its operating subsidiaries to fund any dividends.

The holders of Mittal Steel class A common shares and Mittal Steel class B common shares are entitled to receive pro rata such distributions, if any, that may be declared by Mittal Steel's board of directors out of funds legally available for distribution.

The New Mittal Steel Shares will rank *pari passu* with all existing Mittal Steel class A common shares from the date of issue and, accordingly, will be entitled to any dividend distributions declared following the date of issue of the New Mittal Steel Shares.

Significant Transactions

As required under Dutch law, decisions of the board of directors involving a significant change in the identity or character of Mittal Steel are subject to the approval of the shareholders.

Such decisions include:

the transfer of all or substantially all of Mittal Steel's business to a third party;

the entry into or termination of a significant joint venture of Mittal Steel or of any of Mittal Steel's subsidiaries with another legal entity or company, or of Mittal Steel's position as a fully liable partner in a limited partnership or a general partnership; or

the acquisition or disposal, by Mittal Steel or any of Mittal Steel's subsidiaries, of a participating interest in the capital of a company valued at one third or more of Mittal Steel's assets according to Mittal Steel's most recently adopted consolidated annual balance sheet. A resolution of the general meeting of shareholders to resolve upon a significant transaction as described above, requires a simple majority of the votes cast, without a quorum requirement.

Amendment to the Articles of Association

Mittal Steel's Articles of Association may be amended by resolution of the shareholders upon a proposal by Mittal Steel's board of directors. The resolution of the shareholders to amend the Articles of Association shall require the prior or simultaneous approval of each group of holders of shares of the class whose rights are prejudiced by the amendment of the Articles of Association.

A resolution of the general meeting of shareholders and each group of holders of shares of the class whose rights are prejudiced by the amendment of the Articles of Association to resolve upon an amendment to the Articles of Association, requires a simple majority of the votes cast, without a quorum requirement.

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Merger and Demerger

Mittal Steel's board of directors requires the prior approval of the general meeting of shareholders to resolve to enter into (i) a statutory merger whereby Mittal Steel acts as the acquiring legal entity, or (ii) a legal demerger (*juridische splitsing*) whereby Mittal Steel acts as the acquiring or demerging legal entity, unless the statutory merger is a merger referred to in Article 333 of Book 2 of the Dutch Civil Code (*i.e.*, a merger in which the acquiring company holds 100% of the issued capital of the disappearing entity), or in the case of a legal demerger, a demerger referred to in Article 334hh of Book 2 of the Dutch Civil Code (*i.e.*, a demerger in which the acquiring companies are newly incorporated companies and the demerged entity becomes the sole shareholder of such acquiring companies).

A resolution of the general meeting of shareholders to resolve upon a merger or demerger, requires the approval of at least a majority of the votes cast and, if less than half of the issued share capital is represented at the meeting at which the vote is taken, the approval of at least two-thirds of the votes cast.

Liquidation

In the event of the dissolution and liquidation of Mittal Steel, holders of Mittal Steel common shares are entitled to receive all of the assets of Mittal Steel available for distribution after payment of all liabilities pro rata to the number of common shares held by each such shareholder irrespective of the par value of the common shares held by such holder. As a holding company, Mittal Steel's sole material assets are the capital stock of its operating subsidiaries. Therefore, in the event of dissolution or liquidation, Mittal Steel will either distribute the capital stock of the operating subsidiaries or sell such stock and distribute the net proceeds thereof, after satisfying its liabilities. During liquidation, Mittal Steel's Articles of Association will, to the extent possible, remain in full force and effect.

A resolution of the general meeting of shareholders to resolve upon the dissolution and liquidation of Mittal Steel, requires a simple majority of the votes cast, without a quorum requirement.

Information Rights

Holders of Mittal Steel class A common shares and class B common shares enjoy the following information rights:

the right to obtain the annual accounts and the annual report. Within five months following the end of each fiscal year, Mittal Steel's Board of Directors must prepare annual accounts accompanied by an annual report. This period may be extended by the general meeting of shareholders on account of special circumstances by a maximum of six additional months. The annual accounts and the annual report are available free of charge to shareholders at Mittal Steel's offices from the date of the notice convening Mittal Steel Annual General Meeting;

the right for (i) one or more shareholders and other persons entitled to attend such meetings jointly representing at least 10 per cent of the total outstanding share capital in Mittal Steel and (ii) one or more shareholders jointly representing a nominal value of at least 225,000 in the aggregate in Mittal Steel, to petition for an investigation (*enquête*) into the affairs of Mittal Steel; and

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the right to obtain a copy of any proposal to amend Mittal Steel's Articles of Association or to dissolve Mittal Steel at the same time as meeting notices referring to such proposals are published or sent to all those who are entitled to vote on the subject.

In addition, pursuant to the relevant provisions of Book 2 of the Dutch Civil Code, Mittal Steel's Board of Directors must provide the general meeting of shareholders with all information that it may require, unless vital interests of Mittal Steel or any law, rule or regulation applicable to Mittal Steel would prevent it from doing so.

Mandatory Bid

Dutch law currently does not provide for mandatory takeover bids. Dutch rules on mandatory takeovers are expected to become effective in the course of 2006. The directive of the European Parliament and of the Council of the European Union on takeover bids (the Takeover Directive) of April 21, 2004, must be implemented by each EU member state no later than May 20, 2006. The Takeover Directive applies to all companies governed by the laws of an EU member state of which all or some voting securities are admitted to trading on a regulated market in one or more EU member states. Pursuant to the Takeover Directive, EU member states should ensure protection of minority shareholders by obliging the person that acquires control of a company to make an offer to all the holders of that company's voting securities for all their holdings at an equitable price. The laws of the EU member state in which a company has its registered office will determine the percentage of voting rights that is regarded to confer control over that company. On December 23, 2005, the Dutch government published its proposal for the implementation of the Takeover Directive (the Proposal). Pursuant to the Proposal, any shareholder or group of shareholders acting in concert who could exercise, directly or indirectly, at least 30% of the votes in the shareholders' meeting of a Dutch company is considered to control such company. Pursuant to the Proposal, shareholders with controlling interests as of the date on which the new legislation enters into force will be exempt from the obligation to make a takeover bid for the remaining shares they do not hold. Accordingly, even if at the date of implementation of the Takeover Directive into the laws of The Netherlands, the Controlling Shareholder has a greater than 30% voting interest in Mittal Steel, the Controlling Shareholder is still not obligated to launch a bid for the remaining outstanding shares in Mittal Steel.

Dutch Squeeze Out Proceedings

If a person or a group of persons acting in concert holds in total 95% of a Dutch public limited liability company's issued share capital by nominal value for their own account, Dutch law permits the that person or group of persons acting in concert to acquire the remaining ordinary shares in the company by initiating proceedings against the holders of the remaining ordinary shares. The price to be paid for such ordinary shares will be determined by the Enterprise Chamber of the Amsterdam Court of Appeal.

Disclosure of Significant Ownership of Shares

Holders of Mittal Steel shares may be subject to notification obligations under the Dutch Act on Disclosure of Holdings in Listed Companies 1996 (*Wet Melding Zeggenschap in ter beurze genoteerde vennootschappen 1996*), as amended (the Dutch Disclosure Act), and the Dutch Act on the Supervision of the Securities Trade 1995 (*Wet toezicht effectenverkeer 1995*), as amended (the Dutch Securities Act). The following description summarizes those obligations. Shareholders of Mittal Steel are advised to consult with their own legal advisers to determine whether the notification obligations apply to them.

Pursuant to the Dutch Disclosure Act, any person who, directly or indirectly, acquires or disposes of an interest in Mittal Steel's share capital or voting rights must immediately give written notice to Mittal Steel and, by means of a standard form, to the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) if, as a result of such acquisition or disposal, the percentage of Mittal Steel's capital interest or voting rights held by such person falls within a different percentage range as compared with the percentage range applicable to the capital interest or voting rights held by such person prior to the acquisition or disposal. The percentage ranges referred to in the Dutch Disclosure Act are 0-5%, 5-10%, 10-25%, 25-50%, 50-66 2/3% and 66 2/3% or more.

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A proposal to amend the Dutch Disclosure Act is pending before the Second Chamber of the Dutch Parliament. It is anticipated that the following percentage ranges will be introduced: 0-5%, 5-10%, 10-15%, 15-20%, 20-25%, 25%-30%, 30-40%, 50-60%, 75-95% and 95% or more.

Upon notification, the Netherlands Authority for the Financial Markets shall arrange for publication of the notification in a public registry.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must be taken into account: (i) common shares that are directly held (or acquired or disposed of) by any person, (ii) common shares that are held (or acquired or disposed of) by such person's subsidiaries or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement and (iii) common shares that such person, or any subsidiary or third party referred to above, may acquire pursuant to any option or other right held by such person (or acquired or disposed of). Special rules apply to the attribution of common shares that are part of the property of a partnership or other community of property. A holder of a pledge or right of usufruct in respect of common shares can also be subject to a notification obligation if such person has, or can acquire, the right to vote on the common shares. If a pledgor or usufructuary as holder of the common shares retains such voting rights, this may trigger notification obligations for such holder.

Disclosure of Insider Transactions

Members of Mittal Steel's board of directors and other insiders within the meaning of Article 47a of the Dutch Securities Act and/or Article 2a of the Dutch Disclosure Act must report to the Netherlands Authority for the Financial Markets if they carry out or cause to be carried out, for their own account, a transaction in shares in Mittal Steel or in securities whose value is at least in part determined by the value of shares in Mittal Steel.

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**COMPARISON OF RIGHTS OF SHAREHOLDERS UNDER
LUXEMBOURG AND DUTCH LAW**

As a result of the Offer, shareholders of Arcelor will become shareholders of Mittal Steel and their rights will be governed by Mittal Steel's Articles of Association, which differ in material respects from Arcelor's Articles of Association. The following is a summary of the material differences between the rights of holders of Arcelor shares and holders of Mittal Steel class A common shares and Mittal Steel class B common shares. These differences arise from differences between the Luxembourg law dated August 10, 1915, as amended, and the Dutch Civil Code as well as from differences between the governing documents. This summary is not, and does not purport to be, complete. This summary is qualified in its entirety by reference to the corporate laws of Luxembourg and the Dutch Civil Code and the governing instruments of Mittal Steel and Arcelor. For information as to where the governing instruments of Mittal Steel and Arcelor may be obtained, see [Where You Can Find More Information](#). You are encouraged to obtain and read these documents.

Voting Rights

Under Luxembourg law, each shareholder is entitled, notwithstanding any provision to the contrary in the Articles of Association, to one vote per share. All shareholder resolutions are taken by a majority of the outstanding shares present or represented at the shareholders' meeting unless the Articles of Association or Luxembourg law prescribe otherwise. No quorum is required unless Luxembourg law or the Articles of Association provide otherwise.

Arcelor's Articles of Association provide for one vote per share of Arcelor. Arcelor's Articles of Association further provide that, unless there is a provision of Luxembourg law to the contrary, resolutions shall be adopted at the general meeting of shareholders by a majority of those shareholders present or represented. A resolution by the general meeting to increase or decrease the authorized or subscribed capital, to limit or exclude pre-emptive rights, to approve the acquisition by any person of one quarter or more of the shares of Arcelor or to amend the Articles of Association of Arcelor requires, in order to be validly adopted, a quorum of one half of the subscribed capital and a majority of two thirds of the votes of the shareholders present or represented.

Under Dutch law, each shareholder is entitled to one vote per share, unless the Articles of Association of the company provide otherwise. All shareholder resolutions are taken by an absolute majority of the votes cast, unless the Articles of Association or Dutch law prescribe otherwise. The validity of shareholder decisions is not dependent on a quorum, unless Dutch law or the Articles of Association stipulate otherwise.

Mittal Steel's Articles of Association provide for one vote per share of Mittal Steel class A common shares and ten votes per share of Mittal Steel class B common shares. Generally, all resolutions may be adopted by a simple majority of the total votes cast, and there are no quorum requirements. Since Mittal Steel's shareholder base will change significantly as a result of the transaction, the Controlling Shareholder has undertaken, conditional upon the closing of the Offer and the exchange of New Mittal Steel Shares for Arcelor shares and/or Convertible Bonds pursuant thereto, to reduce the multiple voting rights attaching to its class B common shares from ten to two voting rights per class B common share.

A resolution by the general meeting of shareholders to limit or exclude pre-emptive rights or to designate the board of directors as the authorized organ (corporate body) for this purpose requires, in order to be validly adopted, a majority of at least two thirds of the votes cast in a meeting of shareholders if less than half of the issued share capital is present or represented at such meeting. The same applies to a resolution to reduce the issued share capital. A binding nomination for the appointment of a director to the Mittal Steel board of directors may be overruled by a resolution of the general meeting of shareholders adopted by an absolute majority of the votes cast, provided such majority represents at least one third of the issued share capital. If this proportion of the capital is

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not represented at the meeting, but an absolute majority of the votes cast is in favor of a resolution to cancel the binding nature of the nomination, a new meeting may be convened at which the resolution may be passed by an absolute majority of the votes cast, regardless of the proportion of the capital represented at the meeting. A member of Mittal Steel's board of directors may be suspended or dismissed by the general meeting of shareholders by a resolution passed by at least a two-thirds majority of votes cast representing more than half of the issued share capital of Mittal Steel.

Amendment of Charter Documents

Under Luxembourg law, amendments to the Articles of Association of a public limited company (*société anonyme*) require a resolution of the shareholders of the company approved by a majority of two thirds of the votes of the shareholders present or represented at a meeting the quorum for which must be at least half of the subscribed capital of the company, unless the Articles of Association provide otherwise. Such meeting should be convened by the board of directors. The agenda of the meeting must indicate the proposed amendments to the Articles of Association. If the quorum is not reached at the shareholders' meeting, a second meeting may be convened. The convening notice shall reproduce the agenda and indicate the date and the results of the previous meeting. The second meeting shall validly deliberate regardless of the proportion of the capital represented, though any resolution, to be adopted, must be carried by at least two thirds of the vote of the shareholders present or represented. Any amendments concerning the objects or form of the company must be approved by the general meeting of bondholders. Such meeting shall not validly deliberate unless at least one half of the securities outstanding are represented and the agenda indicates the proposed amendments. If there is no quorum, a second meeting may be convened in the same manner as above. At the second meeting, bondholders who are not present or represented shall be regarded as being present and as voting for the proposals of the board of directors. However, in such case the convening notice must (i) reproduce the agenda of the first meeting and indicate the date and results of that meeting; (ii) specify the proposals of the board of directors on each of the items of such agenda, indicating the amendments proposed; and (iii) contain a notice to bondholders that failure on their part to attend the general meeting shall be deemed to indicate support for the proposals of the board of directors. At both meetings, resolutions shall be validly passed if they are passed by two thirds of the votes.

The nationality of the company may be changed and the commitments of its shareholders may be increased only with the unanimous consent of the shareholders and bondholders.

In accordance with the rules and regulations of the Luxembourg Stock Exchange, the convening notice for a general meeting of the shareholders of a company listed on the stock exchange, such as Arcelor, must be published in one or several newspapers circulated throughout Luxembourg or widely circulated therein or on the website of the stock exchange or may be made available to the public in written form at places indicated by announcement to be published in the same manner. Such convening notice should also be filed with the stock exchange.

Any resolutions to amend the Articles of Association of a Luxembourg company must be taken before a Luxembourg notary and such amendments must be published.

Arcelor's Articles of Association provide that the Articles of Association may be modified by a general meeting of shareholders acting in accordance with the quorum and majority requirements set out in Luxembourg law.

Under Dutch law, shareholders of a Dutch company may resolve to amend the company's Articles of Association.

Under Mittal Steel's Articles of Association, the general meeting of shareholders may pass a resolution for an amendment to Mittal Steel's Articles of Association that will be valid only if the resolution was proposed to the general meeting of shareholders by the board of directors and the complete proposal has been made freely available to the shareholders and other persons entitled to attend meetings of shareholders, at the office of the company and, in the event that shares have been listed on Euronext Amsterdam, at a bank in Amsterdam specified in the notice convening the meeting from the day of notice convening such meeting until the close of that meeting. The resolutions of the shareholders to amend Mittal Steel's Articles of Association will require the prior or simultaneous approval of each group of holders of shares of the class whose rights are prejudiced by the amendment to the Articles of Association.

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Appraisal Rights

Luxembourg law does not recognize the concept of appraisal rights and, accordingly, holders of shares in a Luxembourg company have no appraisal rights.

Dutch law does not recognize the concept of appraisal or dissenters' rights and, accordingly, holders of shares in a Dutch company have no appraisal rights.

Issuance of Shares

Any increase in capital shall be decided upon by the general meeting of shareholder with a quorum of 50% of the share capital and a majority of two thirds of the votes present or represented. The Articles of Association may, however authorize the board of directors to increase capital on one or more occasions up to a specified amount which authorization shall be valid for only five years. It may be renewed on one or more occasions by the general meeting deliberating in the same manner as above.

The shareholders of Arcelor resolved on December 11, 2001 to authorize the board of directors for a period ending on December 11, 2006 to increase the capital on one or more occasions within the limits of the authorized capital. The board of directors is authorized to fix the procedure for all subscriptions and their payment in cash or in kind. An increase in capital may be carried out by (i) an incorporation of reserves, share premium or carried forward profits with or without the issue of the new shares; (ii) following the issue and exercise of subordinated or non-subordinated bonds convertible, exchangeable or reimbursable for shares or arising from other subscription rights for shares; or (iii) by means of the issue of any other type of security or instrument giving right to shares. The board of directors is authorized to fix the subscription price with or without a share premium, the effective date and, if necessary, the duration, amortization, rights, interest, conversion and exchange rates for said securities as well as all other conditions and procedures relating to issue, subscription and payment.

Pursuant to the Articles of Association of Mittal Steel, a general meeting of shareholders can designate Mittal Steel's board of directors as the authorized corporate body for the purpose of resolving upon the issuance of shares by Mittal Steel and to determine the price and further conditions of such share issuance. Such a designation can only be valid for a specific period of no more than five years and may from time to time be extended for a period of no more than five years.

At the annual meeting of shareholders held on May 26, 2005, Mittal Steel shareholders extended the authority to Mittal Steel's board of directors for a period of one year (until the annual meeting of shareholders to be held in 2006) to issue and/or grant rights to subscribe for shares with respect to 10% of the unissued Mittal Steel class A common shares in which the authorized share capital of Mittal Steel is divided into at the time the resolution to issue or grant rights to subscribe for common shares taken by Mittal Steel's board of directors.

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Pre-emptive Rights

Pursuant to Luxembourg law, shares of a company to be subscribed for in cash shall be offered on a pre-emptive basis to shareholders in the proportion of the capital represented by their shares. Luxembourg law provides that the Articles of Association of a company may not withdraw or restrict pre-emption rights. The Articles of Association may nevertheless authorize the board of directors to withdraw or restrict these rights in relation to an increase in capital made within the authorized capital. A general meeting of shareholders called upon to resolve either upon an increase of capital or upon the authorization to increase the capital may limit or withdraw pre-emptive subscription rights or authorize the board of directors to do so. Any proposal to that effect must be specifically announced in the convening notice. Detailed reasons therefor must be set out in a report prepared by the board of directors and presented to the meeting, dealing in particular with the proposed issue price.

The Articles of Association of Arcelor provide that the pre-emptive rights may be limited or excluded by a meeting of shareholders resolving with the quorum and majority requirements necessary for an amendment to the Articles of Association. The Articles of Association further provide that the pre-emptive rights may be limited or excluded by the board of directors when the general meeting of shareholders resolving within the quorum and majority requirements applicable to an amendment to the Articles of Association, delegate to the board of directors the power to issue shares and to limit or exclude pre-emptive rights during a period fixed by the general meeting which cannot exceed five years. The shareholders resolved on December 11, 2001 to authorize the board of directors, for a period ending on December 11, 2006, to increase the capital on one or more occasions within the limits of the authorized capital. This period may be extended by resolution of the shareholders. It was furthermore resolved to authorize the board of directors to limit or exclude the pre-emptive rights of existing shareholders.

Under Dutch law, in the event of an issuance of shares, each shareholder will have a pre-emptive right pro rata to the number of shares held by such shareholder (with the exception of shares to be issued to employees or shares issued against a contribution other than in cash). Unless the Articles of Association state otherwise, holders of preferred shares have no pre-emptive rights. Pre-emptive rights in respect of newly issued common shares may be limited or excluded by the general meeting of shareholders. Mittal Steel's Articles of Association conform to Dutch law and authorize the general meeting of shareholders or the board of directors, if so designated by a resolution of the general meeting of shareholders, to limit or exclude pre-emptive rights for holders of Mittal Steel common shares. In order for such a resolution to be adopted, at least a two-third majority of the votes cast in a meeting of shareholders is required, if less than half of the issued share capital is present or represented at the meeting.

At the extraordinary meeting held on December 15, 2004, shareholders delegated authority to members of Mittal Steel's board of directors to limit or exclude pre-emptive rights in respect of issuances of Mittal Steel class A common shares for a period of five years (the maximum permitted by the laws of The Netherlands). At the annual meeting of shareholders held on May 26, 2005, Mittal Steel shareholders resolved to reduce such authority to a period of one year (until the annual meeting of shareholders to be held in 2006).

Action by Written Consent of Shareholders

Luxembourg law does not provide for the possibility for resolutions of shareholders of a public limited company (*société anonyme*) to be adopted in writing.

Under Dutch law, resolutions may be adopted by shareholders in writing without holding a meeting of shareholders, provided the Articles of Association expressly so allow and provided no bearer shares are issued. As Mittal Steel's Articles of Association do not contain such an express provision, shareholders of Mittal Steel may not adopt resolutions outside a meeting of shareholders.

Table of Contents**Shareholders Meetings**

Under Luxembourg law, an annual meeting of shareholders of a public limited company (*société anonyme*) must be held for the approval of the annual accounts and the discharge of the directors and auditors for the period up to the date of the annual accounts. Any other proper business may be transacted at the annual meeting. Arcelor's Articles of Association provide that the annual general meeting shall take place at the registered office of the company or at any other place in the municipality of Luxembourg as set out in the convening notice on the last Friday of the month of April at 11 am. Furthermore, Luxembourg law provides that the board of directors is obliged to convene a meeting of shareholders so that it is held within a period of one month if shareholders representing one fifth of the capital so require in writing with an indication of the agenda.

Convening notices for every general meeting shall contain the agenda and shall take the form of announcements published twice, with a minimum interval of eight days, and eight days before the meeting, in the Mémorial and in a Luxembourg newspaper. Notices by mail shall be sent eight days before the meeting to registered shareholders but no proof need be given that this formality has been complied with. Where all of the shares are in registered form, the convening notices may be made only by registered letters.

The Articles of Association of Arcelor further provide that in the case of shares registered in the name of the operator of a settlement system or depositary a shareholder wishing to attend a general meeting should receive from such depositary/operator of the settlement system a certificate evidencing such shareholders ownership of the shares. Such certificates should be forwarded to the company at the latest the fifth working day prior to the general meeting unless the company has fixed a shorter period. These certificates should state that the shares will remain inscribed on the account until the end of the general meeting. All powers of attorney should be forwarded to the company within the same time delay. The board of directors may adopt all rules and procedures concerning entry cards and proxy forms in order to allow shareholders to exercise their right to vote.

Under Dutch law, a company must hold at least one annual general meeting, to be held not later than six months after the end of the fiscal year. Pursuant to Mittal Steel's Articles of Association, general meetings will be held in Amsterdam, Haarlemmermeer (Schiphol Airport), Rotterdam or The Hague. An extraordinary general meeting of the shareholders may be held as often as deemed necessary by the board of directors. In addition, in accordance with Dutch law, shareholders representing at least one tenth of the issued share capital may request the board of directors of Mittal Steel convene a general meeting of shareholders. If the board of directors of Mittal Steel has not convened a meeting within six weeks of the request, the persons who have made the request may be authorized by the president of the district court in Rotterdam to convene the meeting themselves.

Under Mittal Steel's Articles of Association, the notice convening a general meeting of the shareholders must be sent no later than the 15th day prior to the day of the general meeting. Mittal Steel will give notice of each meeting of shareholders by notice published by advertisement, which shall be published in at least one national daily newspaper distributed throughout The Netherlands and in the Official Price List (Officiële Prijscourant) of Euronext Amsterdam, in at least one newspaper in each of the countries where shares of Mittal Steel are listed and, if required, elsewhere. In addition, holders of registered shares who have their ownership recorded directly in Mittal Steel's shareholders' register shall be notified by letter that the meeting is being convened. Such notice must be accompanied by the agenda for the meeting or state where such agenda can be obtained. No valid resolutions may be adopted at a general meeting of shareholders in respect of items that are not included on the agenda. The agenda must contain such items as the person convening the meeting decides and other items, as one or more shareholders or other persons entitled to attend the meeting, jointly representing at least 1% of the issued share capital of Mittal Steel or representing a value of at least 50,000,000 have so requested of the board of directors in writing, at least 60 days before the date on which the meeting is convened, unless this would be detrimental to vital interests of Mittal Steel. At the annual shareholders' meeting, the matters to be considered should include the annual report of the board of directors, adoption of the annual accounts, discussion of reserves and dividend policy and proposals to pay dividends, discharge of the members of the board of directors, appointment of members of the board of directors and substantial changes in corporate governance.

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The Mittal Steel board of directors may resolve to set a record date prior to a shareholders meeting and register persons who are shareholders at such date in a register. Such registered persons will be entitled to attend the shareholders meeting and to exercise the voting rights on the registered shares regardless of whether such person is still shareholder at the time of the shareholders meeting.

Shareholders and other persons entitled to attend shareholders meetings may be represented by written proxy. Proxy holders shall be admitted upon production of the proxy instrument.

Election of Directors and Representation

Under Luxembourg law, the board of directors of a public limited company (*société anonyme*) must consist of at least three directors. The directors are elected by the general meeting of shareholders; however, the first appointment may be made in the constitutive instrument of the company. Their term of office may not exceed six years. There are no quorum or majority requirements for the election of directors; the decision can be taken by a simple majority of the votes present or represented at the meeting.

Arcelor's Articles of Association provide that the board of directors consists of at least three members, who do not need to be shareholders of Arcelor. The directors are elected by the shareholders at the annual general meeting of shareholders or at any other general meeting of shareholders for a period expiring at the fifth annual general meeting following the date of their appointment.

It is provided in the Articles of Association of Arcelor that the board may only validly deliberate if a majority of the directors are present or represented. Decisions are taken by the simple majority of votes present or represented except in the case of decisions regarding the issue of shares or other securities giving rights to shares, within the limits of the authorized capital, which decisions may only be taken with the favorable vote of two thirds of the directors present or represented.

The executive board of a Dutch company is in charge of the management of the company. Under Dutch law, the executive board must consist of at least one member.

Mittal Steel's board of directors is made up of five or more class A, class B and class C directors (and must be composed at all times of one class A director and at least two class C directors). The members of Mittal Steel's board of directors are appointed by the general meeting of shareholders. Class A directors are appointed for a period of four years starting on the day after the annual general meeting of shareholders at which they were appointed and ending on the day of the annual general meeting of the shareholders held in the fourth year after their appointment. Class B and class C directors are appointed for a period of one year starting on the day after the annual general meeting of shareholders on which they were appointed and ending on the day of the annual general meeting of shareholders held the next year. When a member of Mittal Steel's board of directors is to be appointed, the meeting of holders of class B common shares may make a binding nomination. The general meeting of shareholders may overrule a binding nomination by a resolution passed by an absolute majority of votes cast representing at least one third of the issued share capital of Mittal Steel. If such a resolution is passed by an absolute majority of votes cast but that majority does not represent at least one third of the issued share capital of Mittal Steel, a new meeting may be convened at which a resolution passed by an absolute majority of votes cast will be sufficient to cancel the binding nature of the nomination.

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The directors will have such titles as the board of directors may from time to time determine. The board of directors will appoint a class A director as Chairman of the board of directors, who will have the title of Chief Executive Officer.

Mittal Steel's board of directors acting together, and each class A director acting alone, have the authority to represent Mittal Steel. Two class B directors acting jointly, and a class C director acting jointly with either two class B directors or a class A director, also have the authority to represent Mittal Steel.

Pursuant to Mittal Steel's Articles of Association, resolutions of the board of directors are validly adopted if adopted by a simple majority of the votes cast. An absent director may issue a proxy but only to another director. In addition, the board of directors is permitted to adopt resolutions in writing without holding a meeting if the proposals for such resolutions have been communicated in writing to all directors and no director has objected to this method of adoption of a resolution.

Removal of Directors

Under Luxembourg law, directors may be removed, without cause, by the general meeting of shareholders. Such meeting does not require a quorum and the decision can be validly taken by a simple majority of the votes present or represented. Arcelor's Articles of Association provide that any director may be removed with or without cause and can be replaced at any time by the general meeting of shareholders.

Under applicable Dutch law, the general meeting of shareholders has the authority to suspend or remove members of the board of directors at any time. Removal without cause is possible but may be contrary to principles of reasonableness and fairness, which are imposed under Dutch law. Any removal without cause, therefore, could result in the liability of the company for damages.

Mittal Steel's Articles of Association provide that the general meeting of shareholders is entitled to suspend or dismiss a member of the board of directors at any time. The general meeting may adopt a resolution to suspend or dismiss a director by at least a two-thirds majority of the votes cast, provided that such majority represents more than half of the issued share capital. However, if the proposal for suspension or dismissal is made by a meeting of the holders of Mittal Steel class B common shares, such resolutions need only be adopted by a simple majority of votes cast.

Filling of Vacancies

Luxembourg law provides that in case of vacancy of the office of a director appointed by the general meeting, the remaining directors in office may, unless otherwise provided in the Articles of Association, fill the vacancy on a provisional basis. In such circumstances, the next general meeting shall make the permanent appointment. Arcelor's Articles of Association provide that if the office of a director becomes vacant following his death or his removal or for any other reason, the remaining directors then in office may, by a majority of the votes cast, elect a director on a provisional basis until the next general meeting of shareholders.

Under Dutch law, a decision to appoint a new member of the board of directors must be taken by the general meeting of shareholders. For a more detailed description of this process see Election of Directors and Representation. Mittal Steel's Articles of Association provide that a director who is appointed to fill an interim vacancy will be in office for the remainder of the term of his predecessor. In case a director is prevented from acting or is permanently absent, the remaining directors will be temporarily responsible for the entire management of Mittal Steel. If all directors are prevented from acting or are permanently absent, the person designated by the general meeting of shareholders will be temporarily responsible for the management of Mittal Steel.

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Shareholder Nominations and Proposals

Normally the board of directors sets the agenda for a general meeting of shareholders. However, under Luxembourg law, shareholders representing 20% of the share capital have the right to require in writing, with an indication of the agenda, the holding of a general meeting of shareholders. In such case, the board of directors shall convene the general meeting of shareholders so that it is held within a period of one month of the date of such request. In such case the shareholders can dictate what should be on the agenda of such meeting. Arcelor's Articles of Association do not contain any provisions regarding shareholder nominations and proposals.

Pursuant to Mittal Steel's Articles of Association, the board of directors must invite the meeting of holders of Mittal Steel class B common shares to make a binding nomination each time a director is to be appointed, within a period of 60 days, so that for each appointment a choice can be made between two individuals. The nomination of holders of Mittal Steel class B common shares will be included in the notice of the general meeting of shareholders at which the appointment will be considered. If the holders of Mittal Steel class B common shares do not make a nomination or do not make a nomination in due time for inclusion in the notice of the general meeting, this should be stated in the notice. In such a case, the general meeting will vote on the appointment of a director as provided in the agenda to the general meeting by a simple majority of the votes cast.

Pursuant to Mittal Steel's Articles of Association, extraordinary meetings will be held when one or more shareholders and other persons entitled to attend such meetings who jointly represent one tenth of the issued share capital make a written request for a special meeting to the board of directors. Such written request must specify in detail the business to be discussed. If the board of directors of Mittal Steel has not convened a meeting within six weeks of the request, the persons who have made the request may be authorized by the president of the district court in Rotterdam to convene the meeting themselves.

The agenda for a meeting of shareholders must contain such items as the person convening the meeting decides and other items, as one or more shareholders or other persons entitled to attend the meeting, jointly representing at least 1% of the issued share capital of Mittal Steel or representing a value of at least 50,000,000 have so requested the board of directors in writing, at least 60 days before the date on which the meeting is convened, unless this would be detrimental to vital interests of Mittal Steel.

Dividends

Under Luxembourg law, a public limited company may not pay dividends to shareholders, when, on the closing date of the last financial year, the net assets as set out in the annual accounts are, or following the payment of such dividend, would become, lower than the amount of the subscribed capital plus the reserves which may not be distributed under law or by virtue of the Articles of Association. Pursuant to Luxembourg law, the company must allocate at least one twentieth of the net profits to the creation of a reserve which allocation ceases to be compulsory when the reserve has reached 10% of the share capital. The amount of any dividends paid to shareholders may not exceed the amount of the profits at the end of the last financial year plus any profits carried forward and any amounts drawn from reserves which are available for that purpose, less any losses carried forward and sums to be placed in reserve in accordance with the law or the Articles of Association. Luxembourg law also provides that interim dividends may be paid provided that the Articles of Association authorize the board of directors to do so. Such payments are subject to the following conditions:

they must be authorized in the Articles of Association;

interim accounts must be drawn up and show that the funds available for distribution are sufficient;

the decision of the board of directors to pay an interim dividend may not be taken more than two months after the date of the interim accounts mentioned above. No distribution may be decided less than six months after the closing of the preceding financial year or before the approval of the annual accounts relating to such financial year; and

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the amount to be distributed may not exceed the profits made since the end of the last financial year for which the annual accounts have been approved, plus any profits carried forward and sums withdrawn from reserves available for this purpose, less losses carried forward and any sums to be allocated to a reserve pursuant to the law or the Articles of Association.

Arcelor's Articles of Association provide that of the annual net profit, 5% shall be appropriated for the legal reserve. Such appropriation shall cease to be compulsory when the reserve amounts to 10% of the capital of the company, but it must be resumed until the reserve is entirely reconstituted if the reserve falls below 10% of the capital of the company. The balance of the net profit shall be distributed by the general meeting of shareholders, upon proposal of the board of directors, as follows:

a minimum amount of 1,000,000 will be allocated to the board of directors as directors' fees. In case the profits are not sufficient, the amount of 1,000,000 will be charged in whole or part in liabilities; and

the remaining surplus of the profits shall be attributed to the shareholders as dividends, or to any reserve carried forward.

Where, upon conversion of convertible or exchangeable securities of the company, the company issues new shares or allocates its own shares, such shares do not participate in the distribution of dividends for the financial year preceding such conversion or exchange, unless the terms and conditions of such securities provide otherwise.

Interim dividends can be paid in compliance with the legal requirements pursuant to a resolution of the board of directors.

Declared and unpaid dividends held by the company for the account of the shareholders shall not bear interest.

Dutch law provides that dividends may only be distributed after adoption of the statutory annual accounts by the general meeting of shareholders. Moreover, dividends may be distributed only to the extent that net assets exceed the sum of the amount of issued and paid-up or called-up capital and increased by reserves that must be maintained under law or the Articles of Association. Interim dividends may be declared as provided for in the Articles of Association and may be distributed to the extent that net assets exceed the amount of the issued and paid-up capital plus required legal reserves. Under Dutch law, the Articles of Association may prescribe that the board of directors decide what portion of the profits are to be held as reserves.

Pursuant to Mittal Steel's Articles of Association, the Mittal Steel board of directors may reserve a portion of Mittal Steel's annual profits. The portion of Mittal Steel's annual profits that remains unreserved will be distributed to shareholders of Mittal Steel pro rata based on the number of common shares held by each shareholder, without regard to the class or par value of such common shares. Mittal Steel's board of directors may resolve that Mittal Steel make distributions out of its general share premium account or out of any other reserves available for distribution under Dutch law, not being a legal reserve or the special share premium reserve that Mittal Steel is required to maintain pursuant to Article 36.1 of its Articles of Association, or Special Reserve. Mittal Steel may declare dividends in the form of common shares as well as in cash. Mittal Steel's board of directors may also decide that Mittal Steel will pay interim dividends. Mittal Steel may only declare distributions, including interim dividends, insofar as its shareholders' equity exceeds the sum of its paid-up or called-up issued share capital and increased by certain reserves that are required to be maintained by the laws of The Netherlands or by Mittal Steel's Articles of Association (including the Special Reserve). Distributions that have not been claimed within five years and two days after the date on which they became due and payable revert to Mittal Steel.

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Rights of Purchase and Reduction of Share Capital

The general rule under Luxembourg law is that the shares of a company may not be subscribed for by the company itself. However, a company may acquire its own shares either itself or through a person acting in his own name but on the company's behalf subject to certain conditions: (i) the authorization to acquire shares shall be given by the general meeting of shareholders, which shall determine the terms and conditions of the proposed acquisition and in particular the maximum number of shares to be acquired, the duration of the period for which the authorization is given, which may not exceed 18 months, and, in the case of acquisition for value, the maximum and minimum consideration; (ii) the nominal value or, in the absence thereof, the accounting par value of the shares acquired, including shares previously acquired by the company, may not exceed 10% of the subscribed capital; (iii) the acquisition may not reduce the net assets below the aggregate of the subscribed capital and the reserves; (iv) only fully paid-up shares may be included in the transaction.

The board of directors may repurchase up to 10% of the share capital without prior shareholder approval if necessary to prevent serious and imminent harm to the company.

The capital of a company may be reduced by decision of the general shareholders meeting acting with a quorum of 50% of the subscribed capital and a majority of two thirds of the votes present or represented. The reduction may be carried out by means of a repayment to shareholders or a waiver of their obligation to pay up their shares. If the capital reduction is realized by repayment to the shareholders there is a 30 day waiting period during which time the creditors of the company have the right to apply to the court for the purpose of obtaining security. The reduction in share capital may also be carried out by the absorption of losses which are not capable of being covered by means of other funds or to include sums of money in a reserve, provided that the reserve does not exceed 10% of the reduced share capital.

The Articles of Association of Arcelor provide that Arcelor may repurchase its own shares or have one of its subsidiaries repurchase its shares, within the limits and conditions set out in Luxembourg law. At the ordinary general meeting of shareholders held on April 29, 2005, the shareholders of Arcelor renewed the authorization of the board to repurchase up to 10% of share capital notably in order to allocate shares of the company to its employees and to its management, and to allocate shares to the holders of the bonds exchangeable against or convertible into shares or to any holder of security granting the rights to shares of the company who would exercise such rights. The authorization is valid for a period ending on the earlier of 18 months from the date of such meeting or the date of its renewal by a general meeting. The Articles of Association of Arcelor provide that the capital may be reduced by decision of the general shareholders meeting acting with a quorum of 50% of the share capital and a majority of two thirds of the votes present or represented.

Under Dutch law, a company may not subscribe for newly issued shares in its own capital. A Dutch company may, subject to certain restrictions, purchase shares in its own capital, provided the nominal value of the shares acquired by the company (or its subsidiaries) does not exceed 10% of the issued share capital.

At the extraordinary meeting held on December 15, 2004, shareholders granted the authority to Mittal Steel's board of directors to repurchase up to 10% of the issued share capital of Mittal Steel, in the form of class A common shares and class B common shares, for a period of 18 months effective from the date of the extraordinary meeting until June 14, 2006.

At the annual meeting of shareholders held on May 26, 2005, Mittal Steel's shareholders resolved to authorize Mittal Steel's board of directors, with effect from the date of the annual meeting held on May 26, 2005, to cause Mittal Steel to acquire up to 10% of its own share capital issued at the time of acquisition, in the form of class A shares, on the NYSE, Euronext Amsterdam or otherwise, for a period of 18 months (ending on November 25, 2006), for a purchase price per class A common

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share to be paid in cash, of not more than 125% of the share price on the NYSE or Euronext Amsterdam and no less than the nominal value of the shares at the time of repurchase. The price on the NYSE or Euronext Amsterdam will be the higher of: (a) the average of the final listing price per class A common share according to the Official Price List of Euronext Amsterdam during the 30 consecutive days on which Euronext Amsterdam is open for trading preceding the three trading days prior to the date of repurchase, and (b) the average of the closing price per class A common share on the NYSE during 30 consecutive days on which the NYSE is open for trading preceding the three trading days prior to the date of repurchase.

The authorization granted to Mittal Steel's board of directors at the extraordinary meeting of shareholders held on December 15, 2004 in respect of the class B common shares will continue and will expire on June 14, 2006.

The shareholders of Mittal Steel may reduce the issued share capital of Mittal Steel by canceling common shares held by Mittal Steel, by canceling all common shares of a specific class or by reducing the par value of common shares, subject to certain statutory provisions. A resolution to reduce the issued share capital requires the approval of at least a majority of the votes cast and, if less than half of the issued share capital is represented at the meeting at which the vote is taken, the approval of at least two thirds of the votes cast. In addition, the prior or simultaneous approval of each group of holders of the class of common shares to which the capital reduction relates is required. Mittal Steel is required to file any resolution of shareholders reducing its share capital with the trade register of the Chamber of Commerce and Industry in the district in which it has its corporate seat and to publish the filing in a national daily newspaper. During the two-month period after the filing is made, creditors of Mittal Steel may oppose such reduction of share capital.

Limitation of Directors Liability/ Indemnification of Officers and Directors

Luxembourg law does not contain any provisions in respect of indemnification of directors or officers or limitation of their liability, though the concept of indemnification is, in principle accepted in Luxembourg and is sometimes provided for in a company's Articles of Association.

Arcelor's Articles of Association do not provide for the indemnification of the directors or officers of the company.

The concept of indemnification of directors of a company for liabilities arising from their actions as members of the executive or supervisory boards is, in principle, accepted in The Netherlands and sometimes is provided for in a company's Articles of Association. Although the laws of The Netherlands do not contain any provisions in this respect, Mittal Steel's Articles of Association provide that directors are indemnified by Mittal Steel to the fullest extent permitted by Dutch law against liabilities, expenses and amounts paid in settlement relating to claims, actions, suits or proceedings to which a director becomes a party by virtue of his or her position. Mittal Steel's Articles of Association also provide that expenses incurred in connection with the defense of any such claim, action, suit or proceeding may be advanced to the director prior to the final disposition thereof. No right to indemnification exists in the case of, among other things, willful malfeasance, bad faith or gross negligence.

Special Meetings

Pursuant to Luxembourg law, extraordinary general meetings (as opposed to the annual general meeting which must be held once a year at the date set out in the Articles of Association) of shareholders may be held as often as is deemed necessary by the board of directors. The Articles of Association of Arcelor provide that such meetings will be held on the day and time and at the place indicated in the convening notice.

Luxembourg law further provides that the board of directors is obliged to convene a meeting of shareholders so that it is held within a period of one month if shareholders representing one fifth of the capital so request in writing with an indication of the agenda.

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Pursuant to Mittal Steel's Articles of Association, extraordinary general meetings of shareholders may be held whenever the board of directors of Mittal Steel deems necessary. In addition, extraordinary meetings will be held when one or more shareholders and other persons entitled to attend such meetings who jointly represent one tenth of the issued share capital make a written request for a special meeting to the board of directors. Such written request must specify in detail the business to be discussed. If the board of directors of Mittal Steel has not convened a meeting within six weeks of the request, the persons who have made the request may be authorized by the president of the district court in Rotterdam to convene the meeting themselves.

Shareholder Votes on Certain Reorganizations

Under Luxembourg law, any merger has to be approved by an extraordinary shareholders' meeting of each company. Such resolution must be taken at the quorum and majority required for the amendment of the Articles of Association. Each shareholder has the right to examine all documents relating to the merger (such as the balance sheet of the three last financial years, the merger plan, the reports of the board of directors and of the independent auditors) at least one month before the actual meeting. The resolution of the shareholders of the absorbed company is subject to the positive vote of the surviving company of the merger and shall define the terms and conditions of the absorption. The absorbing company's shareholders must approve the terms of the absorption and the increase of the share capital by the issuance of new shares. The merger is deemed to be effective between the parties as of the moment the two companies have adopted concordant decisions whereby they express their agreement to merge. Only the publication in the Mémorial will make the merger effective towards third parties.

Arcelor's Articles of Association do not contain any specific provision in this respect.

Under Dutch law and Mittal Steel's Articles of Association, the general meeting of shareholders must approve any legal merger (juridische fusie) in which the company would not be the surviving entity.

As required under Dutch law and the Mittal Steel Articles of Association, decisions of the board of directors involving a significant change in the identity or character of Mittal Steel are subject to the approval of the shareholders.

Such decisions include:

the transfer of all or substantially all of Mittal Steel's business to a third party;

the entry into or termination of a significant joint venture of Mittal Steel or of any of Mittal Steel's subsidiaries with another legal entity or company, or of Mittal Steel's position as a fully liable partner in a limited partnership or a general partnership; or

the acquisition or disposal, by Mittal Steel or any of Mittal Steel's subsidiaries, of a participating interest in the capital of a company valued at one third or more of Mittal Steel's assets according to Mittal Steel's most recently adopted consolidated annual balance sheet.

Mittal Steel's Articles of Association provide, partly in addition to the above, that the general meeting of shareholders must approve a sale, lease or exchange of all or substantially all of the company's property or assets.

Certain Provisions Relating to Business Combinations

Neither Luxembourg law nor Arcelor's Articles of Association specifically prevent business combinations with interested shareholders.

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Neither Dutch law nor Mittal Steel's Articles of Association specifically prevent business combinations with interested shareholders.

Rights of Inspection

Under Luxembourg law, any shareholder may inspect for any proper purpose at the registered office of the company the company's share register and, 15 days prior to the annual general meeting of shareholders, the balance sheet and the profit and loss account, the list of sovereign debt, shares, bonds and other company securities making up the portfolio, the list of shareholders who have not paid up their shares, with an indication of the number of their shares and their domicile and the report of the auditors. The balance sheet and the profit and loss account, as well as the report of the auditors, shall be sent to registered shareholders at the same time as the convening notice for the annual general meeting. Every shareholder shall be entitled to obtain free of charge, 15 days before the meeting, a copy of the documents referred to in the foregoing sentence.

Arcelor's Articles of Association provide that, 15 days prior to the general meeting of shareholders, shareholders may inspect:

the annual accounts and the consolidated accounts;

the list of sovereign debt, shares, bonds and other company securities making up the portfolio;

the management report; and

documents issued by the independent auditor the communication of which to the shareholders is prescribed by law.

The documents enumerated under items 1, 3 and 4 above shall be sent to registered shareholders at the same time as the convening notice. Every shareholder shall be entitled to obtain free of charge, upon production of his title, 15 days before the meeting, a copy of the documents referred to in the foregoing sentence.

Under Dutch law, the annual accounts of a company are submitted to the general meeting of shareholders for their adoption. Shareholders the right to obtain a copy of any proposal to amend Mittal Steel's Articles of Association or to dissolve Mittal Steel at the same time as meeting notices referring to such proposals are published or sent to all those who are entitled to vote on the subject. Under Dutch law, the shareholders' register is available for inspection by the shareholder.

Mittal Steel's Articles of Association grant the board of directors power to permit inspection of the share register by authorities who supervise and/or implement the trading of securities on a foreign stock exchange if Mittal Steel common shares are registered on such foreign exchange or are in the process of being registered.

Shareholder Suits

Luxembourg law does not provide for derivative actions. Any shareholder action to be taken against the directors for management fault may only be taken by decision of the shareholders acting in general meeting. If a shareholder has suffered harm as a result of a directors' violation of the law or the Articles of Association or as a result of the negligence of the directors he may individually take an action against the directors.

Dutch law does not provide for derivative suits. However, the Dutch Civil Code does provide for representative actions which are similar to class actions. Only a foundation or an association whose objective is to protect the rights of a group of persons having similar interests can institute a representative action. Although such an action cannot result in an award of monetary damages, all

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other types of awards are possible for example, to cease and desist, to repay money which was not owed depending the cause of action. In most cases, however, the plaintiff's organization demands a declaratory judgment (verklaring voor recht) establishing that the defendant acted wrongfully and is liable. On the basis of such a judgment each individual person may institute civil proceedings claiming monetary damages. The judgment in the representative action itself is only between the organization and the defendant, not between individual class members and the defendant. However, the organization and the defendant may enter into a settlement to be certified by the court. Court certification will have binding effect on the individual class members who do not exercise their right to opt out from the settlement.

Conflict-of-Interest Transactions

Luxembourg law sets forth that any director having an interest in a transaction submitted for approval to the board of directors conflicting with that of the company shall be obliged to advise the board thereof and to cause a record of his statement to be included in the minutes of the meeting. He may not take part in these deliberations. At the next following general meeting, before any other resolution is put to vote, a special report shall be made on any transactions in which any of the directors may have had an interest conflicting with that of the company.

Arcelor's Articles of Association do not provide for any provision in this respect.

Mittal Steel's Articles of Association provide that if a director has a conflict of interest, he or she will continue to represent the company as each of the other directors have power to represent the company. An exception to this is the situation in which a director, acting in his personal capacity, enters into an agreement with the company, or if he, acting in his personal capacity, conducts any litigation against the company, in which case the company will be represented by one or more other directors (with due observance of the representation principles, as described under Election of Directors and Representation.

Financial Information Available to Shareholders

Under Luxembourg law, the annual accounts duly approved and the management report, together with the auditor's report, must be filed within one month following their approval with the Luxembourg Trade Register (*Registre de Commerce et des Sociétés, Luxembourg*). However, the management report need not be published, provided that it shall be made available to the public at the registered office of the company.

Pursuant to the rules of the Luxembourg Stock Exchange, a company whose shares are listed on the Luxembourg Stock Exchange shall publish a half yearly report on their activities and profits and losses for the six months of each financial year. Such report shall be published in one or several newspapers circulated throughout Luxembourg or widely circulated therein, or be made available to the public either in written form at places in Luxembourg indicated by announcements to be published in one or several newspapers circulated throughout Luxembourg or widely circulated therein, or by other means approved by the Luxembourg Stock Exchange.

Mittal Steel is required to file Annual Reports with the SEC containing certain financial information. Mittal Steel files Annual Reports on Form 20-F, which contain audited annual financial statements prepared in accordance with U.S. GAAP. Mittal Steel, as a foreign private issuer, is not required, however, to file quarterly reports, but chooses to furnish quarterly financial information prepared in accordance with U.S. GAAP under cover of a report on Form 6-K.

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The following discussion is a summary of certain U.S. federal income tax consequences for U.S. Holders (as defined below) of (i) the disposition of Arcelor shares or Convertible Bonds (together, for the purposes of the discussion under this caption Taxation, the Arcelor Securities) in exchange for Mittal Steel shares and/or cash pursuant to the Offer, and (ii) the ownership and disposition of Mittal Steel shares that are held as capital assets (e.g., for investment purposes). This summary does not purport to address all material tax consequences that may be relevant to a decision to tender Arcelor securities in response to the Offer; to acquire, hold, or dispose of Mittal Steel shares; and to receive dividends or other distributions on Mittal Steel shares. This summary also does not take into account the specific circumstances of particular investors, some of which (such as tax-exempt entities, banks, insurance companies, broker-dealers, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, regulated investment companies, real estate investment trusts, partnerships and other pass-through entities, investors liable for the U.S. alternative minimum tax, investors that own or are treated as owning 10% or more of the voting shares of Arcelor or Mittal Steel, investors that hold Arcelor securities or Mittal Steel shares as part of a straddle, hedge, conversion, constructive sale transaction, or other integrated transaction, and investors whose functional currency is not the U.S. dollar) may be subject to special tax rules. This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the Code), the Treasury regulations issued thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service (IRS), all as in effect on the date hereof, and all of which are subject to change (possibly with retroactive effect) or to differing interpretations.

For purposes of this discussion, a U.S. Holder is a beneficial owner of Arcelor securities or of Mittal Steel shares acquired pursuant to the Offer that is, for U.S. federal income tax purposes:

an individual citizen or resident of the United States;

a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized in or under the laws of the United States, any state thereof, or the District of Columbia; or

any other person that is subject to U.S. federal income tax on a net income basis in respect of the Arcelor securities or the Mittal Steel shares.

The U.S. federal income tax consequences of a partner in a partnership holding Arcelor securities or Mittal Steel shares generally will depend on the status of the partner and the activities of the partnership. We recommend that partners in such a partnership consult their own tax advisors.

Except where specifically described below, this discussion assumes that Mittal Steel is not a passive foreign investment company (PFIC) for U.S. federal income tax purposes. See Passive Foreign Investment Company Status. This summary does not address any aspects of U.S. federal tax law other than income taxation, or any state, local, or non-U.S. tax considerations that may be applicable to investors. Additionally, this summary does not apply to an investor that is not a U.S. Holder, that does not use the U.S. dollar as its functional currency, or that holds Arcelor securities or Mittal Steel shares other than as a capital asset. Investors are urged to consult their tax advisors regarding the U.S. federal, state, local, and other tax consequences of tendering Arcelor securities in response to the Offer, or of acquiring, owning, and disposing of Mittal Steel shares.

The discussion below is intended for general information only and does not constitute a complete analysis of all U.S. federal income tax consequences relating to the disposition of Arcelor securities pursuant to the Offer or the acquisition, ownership, and disposition of Mittal Steel shares. Investors should consult their own tax advisors concerning the tax consequences of their particular situations.

Table of Contents***Taxation of Sales, Exchanges, or Other Dispositions of Arcelor Securities or Mittal Steel Shares***

Both the sale of Arcelor securities for cash and the exchange of Arcelor securities for Mittal Steel shares will constitute a taxable disposition under U.S. federal income tax law. A U.S. Holder that sells an Arcelor Security for cash will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realized on the sale and the U.S. Holder's adjusted tax basis in such Arcelor Security. A U.S. Holder that exchanges an Arcelor Security for Mittal Steel shares will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the U.S. dollar value of the Mittal Steel shares (plus any cash received) and the U.S. Holder's tax basis in its Arcelor Security.

In general, gain or loss recognized on the sale or exchange of Arcelor securities will be capital gain or loss and, if the U.S. Holder's holding period for such Arcelor securities exceeds one year, will be long-term capital gain or loss. Certain U.S. Holders, including individuals, are eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains realized prior to January 1, 2009. The deduction of capital losses against ordinary income is subject to limitations under the Code. Any gain or loss recognized by a U.S. Holder in respect of the sale or other taxable disposition of Arcelor securities generally will be treated as derived from U.S. sources for U.S. foreign tax credit purposes.

The foregoing analysis also applies to the disposition of Mittal Steel shares acquired pursuant to the Offer. Sales or other taxable dispositions by U.S. Holders of Mittal Steel shares generally will give rise to capital gain or loss equal to the difference between the amount realized on the disposition and the U.S. Holder's tax basis in such shares. A U.S. Holder generally will have an initial tax basis in each Mittal Steel share equal to its U.S. dollar value at the time such share was acquired in exchange for an Arcelor Security. Any such capital gain or loss generally will be long-term capital gain or loss, subject to taxation at reduced rates for non-corporate taxpayers in respect of long-term capital gains realized prior to January 1, 2009. As previously mentioned, the deductibility of capital losses is subject to limitations.

Taxation of Distributions

Cash distributions made by Mittal Steel in respect of Mittal Steel shares (including the amount of any applicable withholding tax in The Netherlands) will constitute a taxable dividend when such distribution is actually or constructively paid, to the extent such distribution is paid out of current or accumulated earnings and profits (as determined under U.S. federal income tax principles). To the extent the amount of any distribution received by a U.S. Holder in respect of Mittal Steel shares exceeds the current and accumulated earnings and profits of Mittal Steel, the distribution (i) will be treated as a non-taxable return of the U.S. Holder's adjusted tax basis in those Mittal Steel shares, and (ii) thereafter will be treated as U.S.-source capital gain. Distributions of additional Mittal Steel shares that are made to U.S. Holders with respect to their Mittal Steel shares, and that are part of a pro rata distribution to all Mittal Steel shareholders, generally will not be subject to U.S. federal income tax.

Subject to certain exceptions for short-term or hedged positions, taxable dividends received by certain non-corporate U.S. Holders (including individuals) with respect to the Mittal Steel shares prior to January 1, 2009 will be subject to U.S. federal income taxation at a maximum rate of 15% if the dividends represent qualified dividend income. Dividends paid on the Mittal Steel shares will be treated as qualified dividend income if Mittal Steel was not a PFIC in the year in which the dividend was paid or in the year prior thereto. As discussed further below, Mittal Steel believes that it was not treated as a PFIC for U.S. federal income tax purposes with respect to its 2004 taxable year, and Mittal Steel does not anticipate being a PFIC for its 2005 or 2006 taxable years. See Passive Foreign Investment Company Status.

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Investors should be aware that the U.S. Treasury Department has announced its intention to issue proposed rules pursuant to which shareholders (and intermediaries) will be permitted to rely on certifications from issuers to establish that dividends qualify for this reduced rate of U.S. federal income taxation. Because these proposed certification procedures have not yet been issued, Mittal Steel is uncertain that it will be able to comply therewith. U.S. Holders of Mittal Steel shares should consult their own tax advisors regarding the availability of the reduced rate of U.S. federal income tax on dividends in light of their own particular circumstances.

The U.S. dollar amount of a taxable dividend generally will be included in the gross income of a U.S. Holder as ordinary income derived from sources outside the United States for U.S. foreign tax credit purposes, and generally will be passive income for purposes of the foreign tax credit limitation. Dividends paid in euros will be included in a U.S. Holder's income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date the dividend is received; a recipient of such dividends generally should not be required to recognize foreign currency gain or loss in respect of the dividend income. Fluctuations in the U.S. dollar-euro exchange rate between the date that U.S. Holders receive a dividend and the date that they receive any related refund of Dutch withholding tax may give rise to foreign currency gain or loss, however; such gain or loss generally is treated as ordinary income or loss for U.S. tax purposes. Dividends paid by Mittal Steel will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

Subject to the limitations and conditions provided in the Code, a U.S. Holder of Mittal Steel shares may claim a foreign tax credit against its U.S. federal income tax liability for the amount of any Dutch income taxes withheld at the appropriate rate applicable to the U.S. Holder from a dividend paid by Mittal Steel to such U.S. Holder and paid to the Dutch government. Alternatively, the U.S. Holder may deduct such Dutch income taxes from its U.S. federal taxable income, provided that the U.S. Holder elects to deduct rather than credit all foreign income taxes for the relevant taxable year. The rules with respect to foreign tax credits are complex, involve the application of rules that depend on a U.S. Holder's particular circumstances, and have been amended by recently enacted legislation that is effective for taxable years beginning after December 31, 2006. Accordingly, U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances, including the U.S. federal income tax treatment of any reduction in the amount of the dividend withholding tax remitted by Mittal Steel to the tax authorities in The Netherlands. See *Dutch Taxation Withholding Tax*.

Passive Foreign Investment Company Status

Special U.S. federal income tax rules apply to U.S. persons owning stock of a PFIC. A foreign corporation will be considered a PFIC for any taxable year in which (i) 75% or more of its gross income is passive income, or (ii) 50% or more of the average value (or, if elected, the adjusted tax basis) of its assets are considered passive assets (generally assets that generate passive income). Mittal Steel believes that it currently is not a PFIC for U.S. federal income tax purposes, and Mittal Steel does not expect to become a PFIC in the future. This conclusion is based upon an analysis of its financial position and an interpretation of the PFIC provisions that Mittal Steel believes is correct. No assurances can be made that the applicable tax law or relevant factual circumstances will not change in a manner that affects the PFIC determination, however.

If, contrary to the foregoing discussion, Mittal Steel were classified as a PFIC, a U.S. Holder of Mittal Steel shares would be subject to increased tax liability (possibly including an interest charge) upon the sale or other disposition of Mittal Steel shares or upon the receipt of certain distributions treated as excess distributions, unless such U.S. Holder elected to be taxed currently (as discussed below) on its pro rata portion of Mittal Steel's income, regardless of whether such income was actually distributed. An excess distribution generally is any distribution to a U.S. Holder with respect to Mittal Steel shares during a single taxable year that is greater than 125% of the average annual distributions received by the U.S. Holder with respect to Mittal Steel shares during the three preceding taxable years or, if shorter, during the U.S. Holder's holding period for the shares.

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The special PFIC tax rules described above will not apply to a U.S. Holder that elects to have Mittal Steel treated as a qualified electing fund (QEF). U.S. Holders should consult their tax advisors as to the availability and consequences of such election. In particular, an election to treat Mittal Steel as a QEF may not be available because information necessary to make this election may not be provided. Special rules apply for calculating the amount of the foreign tax credit with respect to excess distributions by a PFIC or, in certain cases, QEF inclusions.

If the Mittal Steel shares are regularly traded on a registered national securities exchange or certain other exchanges or markets, then such shares will constitute marketable stock for purposes of the PFIC rules, and a U.S. Holder thereof will not be subject to the foregoing PFIC rules if such U.S. Holder makes a mark-to-market election. After making such an election, the U.S. Holder generally will include as ordinary income each year the excess, if any, of the fair market value of the Mittal Steel shares at the end of the taxable year over the U.S. Holder's adjusted basis in such shares. These amounts of ordinary income will not be eligible for the favorable tax rates applicable to qualified dividend income or long-term capital gains. The U.S. Holder also will be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted basis of the Mittal Steel shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. Holder's tax basis in the Mittal Steel shares will be adjusted to reflect any such income or loss amounts.

Notwithstanding any election made with respect to the Mittal Steel shares, dividends received on Mittal Steel shares will not constitute qualified dividend income to a U.S. Holder if Mittal Steel is a PFIC in either the taxable year of the distribution or the preceding taxable year. Dividends that do not constitute qualified dividend income are not eligible for taxation at the aforementioned reduced tax rate. Instead, U.S. Holders must include in their gross income the gross amount of any such dividend paid out of Mittal Steel's accumulated earnings and profits; such dividend will be subject to tax at ordinary income rates. A U.S. Holder that owns Mittal Steel shares during any year in which Mittal Steel is a PFIC also must file IRS Form 8621.

Backup Withholding and Information Reporting

Proceeds received upon the sale, exchange, or redemption of Arcelor securities or Mittal Steel shares by U.S. Holders within the United States (or through certain U.S.-related financial intermediaries), and dividends on Mittal Steel shares paid to U.S. Holders in the United States (or through certain U.S.-related financial intermediaries), will be subject to information reporting and may be subject to backup withholding unless the U.S. Holder (i) is a corporation or other exempt recipient, or (ii) provides an IRS Form W-9 (or an acceptable substitute form) that contains the U.S. Holder's taxpayer identification number and that certifies that no loss of exemption from backup withholding has occurred.

Backup withholding is not an additional tax. The amount of backup withholding imposed on a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability, so long as the required information is properly furnished to the IRS. Holders that are not U.S. Holders may need to comply with certification procedures to establish their non-U.S. status in order to avoid information reporting and backup withholding tax requirements.

Luxembourg Taxation

The following is a general description of certain tax considerations, under the existing laws of Luxembourg, relating to a tender of Arcelor securities in return for Mittal Steel shares and/or cash by holders that are not residents of Luxembourg. It does not purport to be a complete analysis of all tax considerations relating to the Offer. Holders of Arcelor securities should consult their tax advisers

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as to the consequences under the tax laws of the country of which they are resident for tax purposes, and the tax laws of any other jurisdiction, of tendering their Arcelor securities in response to the Offer and of acquiring, holding, redeeming and disposing of Mittal Steel shares and receiving dividends, liquidation proceeds and/or other amounts under Mittal Steel shares. This summary is based upon the law as in effect on the date hereof and is subject to any change in law that may take effect after such date, and may be retroactively applicable.

Capital Gains***Convertible Bonds***

No Luxembourg taxation will apply to a gain realized on the sale or exchange of Convertible Bonds by a non-resident individual holder who does not have a permanent establishment in Luxembourg to which Convertible Bonds would be attributable.

However, upon disposal of the Convertible Bonds, a 15% withholding tax may be levied in Luxembourg on the unpaid interest accrued since July 1, 2005 to the extent that the beneficial owner of the Convertible Bonds is an individual resident in a Member State of the European Union and the paying agent is located in Luxembourg.

Subject to any applicable tax treaty, a non-resident corporate holder (that is, a *collectivité* within the meaning of art. 159 of the Luxembourg Income Tax Law) which has a permanent establishment in Luxembourg to which Convertible Bonds would be attributable, will bear corporate income tax and municipal business tax on a gain realized on a disposal of such bonds. The combined rate for these two taxes (including an unemployment fund contribution of 4%) is 29.63% in the City of Luxembourg.

Arcelor Shares

Subject to any applicable tax treaty, a non-resident individual holder of Arcelor shares who realizes a gain on the disposal thereof (and who does not have a permanent establishment in Luxembourg) will only be subject to Luxembourg taxation on capital gains arising upon disposal of such shares if such holder has (together with his or her spouse and underage children) directly or indirectly held more than 10% of the capital of Arcelor, at anytime during the past five years, **and**:

such holder has been a resident of Luxembourg for tax purposes for at least 15 years and has become a non-resident within the last five years preceding the realization of the gain: subject to any applicable tax treaty, such gain will bear individual income tax at a rate equal to half of the normal progressive rate (the top marginal tax rate is 38%), plus an unemployment fund contribution levied thereon at a rate of 2.5%; **or**

the disposal of Arcelor shares occurs within six months from their acquisition: subject to any applicable tax treaty, such gain will bear individual income tax at the normal progressive rate (the top marginal tax rate is 38%), plus an unemployment fund contribution levied thereon at a rate of 2.5%.

A non-resident corporate holder (that is, a *collectivité* within the meaning of art. 159 of the Luxembourg Income Tax Law), which has a permanent establishment in Luxembourg to which Arcelor shares would be attributable, will bear corporate income tax and municipal business tax on a gain realized on a disposal of such shares. The combined rate for these two taxes (including an unemployment fund contribution of 4%) is 29.63% in the City of Luxembourg. However, gains realized on the sale of Arcelor shares may benefit from the full exemption provided for by Article 166 of the Luxembourg Income Tax Law and by the Grand Ducal Decree of 21 December 2001, as amended, subject in each case to fulfillment of the conditions set out therein.

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By way of exception, however, a capital gain on Arcelor shares will not be deemed realized subject to the conditions for availability of rollover relief set forth in articles 22bis and 102(10) of the Luxembourg Income Tax Law, including inter alia the following:

Mittal Steel shall acquire, as a result of the Offer, a stake in the share capital of Arcelor conferring to it the majority (that is, more than 50%) of voting rights in Arcelor;

Each such holder of Arcelor shares may not receive a cash balance exceeding 10% of the nominal value (or, in the absence of a nominal value, the accounting par) of the Mittal Steel shares it receives in return; **holders of Arcelor shares who elect to receive more than 10% of such value in cash will consequently not be eligible for rollover relief.**

In the hands of the shareholder, the price and date of acquisition of the Mittal Steel shares received will be the same as those of the Arcelor shares tendered.

Other Taxes

It is not compulsory that the Arcelor securities or the Mittal Steel shares be filed, recorded or enrolled with any court, or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty be paid in respect of or in connection with the tender, execution, issue, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Arcelor securities or the Mittal Steel shares, except that, in case of use of the Convertible Bonds, either directly or by way of reference (i) in a public deed, (ii) in a judicial proceeding in Luxembourg or (iii) before any other Luxembourg official authority (*autorité constituée*), registration may be ordered which implies the application of an ad valorem registration duty.

Dutch Taxation

The following discussion is a summary of certain Dutch tax consequences of the acquisition, holding, and disposal of Mittal Steel shares by holders that are not residents of The Netherlands for Dutch tax purposes. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Mittal Steel shares. In light of its general nature, this summary should be treated with corresponding caution. Each holder or prospective holder of Mittal Steel shares should consult with a tax adviser with regard to the tax consequences of its investment in Mittal Steel shares.

Except as otherwise indicated, this summary only addresses Dutch tax legislation, as in effect and in force at the date hereof, as interpreted in published case law, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

Withholding Tax

Dividends distributed by Mittal Steel generally are subject to a withholding tax imposed by The Netherlands at a rate of 25%. Such dividends include, among other things:

distributions in cash or in kind, deemed and constructive distributions, and repayments of paid-in capital not recognized for Dutch dividend withholding tax purposes;

liquidation proceeds, redemption proceeds, and consideration for the repurchase of shares by Mittal Steel (or one of its subsidiaries), to the extent such proceeds or consideration exceed the average paid-in capital recognized on these shares for Dutch dividend withholding tax purposes;

an amount equal to the par value of shares issued to a holder of shares or an increase in the par value of shares, as the case may be, to the extent that it does not appear that a contribution, recognized for Dutch dividend withholding tax purposes, has been made or will be made; and

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partial repayment of paid-in capital, recognized for Dutch dividend withholding tax purposes, if and to the extent that Mittal Steel has net profits (*zuivere winst*), unless the general meeting of shareholders has resolved in advance to make such repayment, and provided that the par value of the shares concerned has been reduced by an equal amount by way of an amendment of the articles of association. If a holder of Mittal Steel shares is resident in a country other than The Netherlands, and if a double taxation convention is in effect between The Netherlands and such other country, such holder of shares may, depending on the terms of that double taxation convention, be eligible for a full or partial exemption from (or refund of) Dutch dividend withholding tax. Under the terms of the double taxation convention currently in force between The Netherlands and United States (the Dutch-U.S. Treaty), dividends paid by a Dutch company to a U.S. shareholder are generally subject to Dutch withholding tax at a rate of 15%. This reduction applies automatically if treaty entitlement formalities are satisfied before dividends are paid; if such formalities are satisfied after dividend payment, then the reduction applies through the refund of excess withholding tax.

A U.S. Holder generally will be entitled to the benefits of the Dutch-U.S. Treaty if such U.S. Holder is (i) the beneficial owner of Mittal Steel shares (and of dividends paid with respect thereto), (ii) an individual U.S. resident, a U.S. corporation, or a U.S.-resident partnership, estate, or trust for U.S. tax purposes, (iii) not resident in The Netherlands for Dutch tax purposes, and (iv) not subject to an anti-treaty shopping rule. In contrast, a U.S. Holder generally will not be eligible for the benefits of the Dutch-U.S. Treaty if it holds Mittal Steel shares in connection with either the conduct of business through a permanent establishment or the performance of services through a fixed base in The Netherlands.

In order to qualify for a reduction of Dutch withholding tax under the Dutch-U.S. Treaty, a U.S. Holder must fill out a certificate of residence (using Form IB 92 USA) and have it certified by a financial institution (typically the entity that holds the Mittal Steel shares as custodian for the U.S. Holder). If Mittal Steel receives the required documentation prior to the relevant dividend payment date, then Mittal Steel may apply the reduced withholding rate at the source. If the U.S. Holder fails to satisfy these requirements prior to the payment of a dividend, then the U.S. Holder may claim a refund of the excess of the amount withheld over the tax treaty rate by filing Form IB 92 USA, along with a supplemental statement, with the Dutch tax authorities. Pension funds and tax-exempt organizations qualifying for a complete exemption from tax are not entitled to claim tax treaty benefits at source, and instead must file claims for refund by filing Form IB 96 USA or Form IB 95 USA, respectively.

Pursuant to Dutch legislation enacted to counteract dividend stripping, a reduction, exemption, credit, or refund of dividend withholding tax will be denied if the dividend recipient is not the beneficial owner. This legislation generally targets situations in which a shareholder retains its economic interest in shares but reduces the withholding tax cost on dividends by entering into a transaction with another party. Such legislation may apply even if the dividend recipient was unaware that a dividend stripping transaction occurred, although the Dutch state secretary of finance has indicated that these rules should not apply to an unsuspecting recipient who purchased shares on the stock exchange.

In general, upon making a distribution to shareholders, Mittal Steel is required to remit all amounts withheld as Dutch dividend withholding tax to the Dutch tax authorities. Under certain circumstances, however, Mittal Steel may be allowed to reduce the amount of Dutch dividend withholding tax that must be remitted to the Dutch tax authorities by the lesser of:

3% of the portion of the gross amount of the dividend paid by Mittal Steel that is subject to Dutch dividend withholding tax; and

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3% of the gross amount of the dividends and profit distributions received by Mittal Steel from qualifying non-Dutch subsidiaries in the current calendar year (up to the date of the distribution) and the two preceding calendar years, to the extent that these dividends and profit distributions have not yet been taken into account for the purpose of establishing the foregoing reduction.

Although this credit reduces the amount of dividend withholding tax that Mittal Steel is required to pay to the Dutch authorities, it does not reduce the amount of tax that Mittal Steel is required to withhold from dividends. In these circumstances, foreign tax credits generally will not be allowed in the United States to the extent that Mittal Steel is not required to remit the amount withheld as Dutch dividend withholding tax to the Dutch tax authorities. See United States Taxation Taxation of Distributions.

Taxes on Income and Capital Gains

A holder of Mittal Steel shares will not be subject to Dutch taxes on income or capital gains in respect of any payment under the Mittal Steel shares, or in respect of any gain realized on the disposal or deemed disposal of the Mittal Steel shares, provided that:

such holder is neither a resident nor deemed to be a resident of The Netherlands and, if the holder is an individual, such holder has not made an election for application of the rules of the 2001 Dutch income tax act as they apply to Dutch residents;

such holder does not have an interest in an enterprise or deemed enterprise (as defined under Dutch law) that is, in whole or in part, effectively managed in The Netherlands and/or carried on through a permanent establishment, a deemed permanent establishment, or a permanent representative in The Netherlands and to which enterprise (or part of an enterprise) the Mittal Steel shares are attributable;

such holder does not carry out any activities in The Netherlands that exceed regular asset management (*normaal vermogensbeheer*) and does not derive benefits that are (otherwise) taxable as benefits from other activities (*resultaat uit overige werkzaamheden*) to which the Mittal Steel shares are attributable; and

such holder, individuals related to such holder, and certain of their relatives by blood or marriage in the direct line (including foster children) do not have a substantial interest or deemed substantial interest in Mittal Steel or, if such holder does have such an interest, such interest forms part of its business assets.

Generally, a non-resident holder of shares will have a substantial interest if such holder, his/her partner, certain other relatives (including foster children), or certain persons sharing his/her household, alone or together, directly or indirectly:

hold shares representing 5% or more of Mittal Steel's total issued and outstanding capital (or the issued and outstanding capital of any class of shares);

hold or have rights to acquire shares, whether or not already issued, that represent at any time (and from time to time) 5% or more of Mittal Steel's total issued and outstanding capital (or the issued and outstanding capital of any class of shares); or

hold or own certain profit-participation rights that relate to 5% or more of Mittal Steel's annual profit and/or to 5% or more of Mittal Steel's liquidation proceeds.

A deemed substantial interest arises if a substantial interest (or part thereof) has been disposed of, or is deemed to have been disposed of, on a non-recognition basis.

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Gift, Estate and Inheritance Tax

No Dutch gift, estate, or inheritance taxes will arise on the transfer of Mittal Steel shares by way of gift by, or on the death of, a holder of Mittal Steel shares who is neither resident nor deemed to be resident in The Netherlands, unless:

such holder has at the time of the gift, or had at the time of his/her death, an enterprise (or an interest therein) that is or was, in whole or in part, effectively managed in The Netherlands and/or carried on through a permanent establishment or a permanent representative in The Netherlands, and to which enterprise (or part thereof) the Mittal Steel shares are or were attributable;

such holder is at the time of the gift, or was at the time of his/her death, entitled to share in the profits of an enterprise effectively managed in The Netherlands, other than by way of holding securities or through an employment contract, to which enterprise the Mittal Steel shares are or were attributable (or are or were deemed to be attributable); or

in the case of a gift of Mittal Steel shares by an individual who at the date of the gift was neither resident nor deemed to be resident in The Netherlands, such individual dies within 180 days after the date of the gift while being resident or deemed to be resident in The Netherlands.

For purposes of Dutch gift, estate, and inheritance taxes, among others, a person of Dutch nationality will be deemed to be resident in The Netherlands if such person has been resident in The Netherlands at any time during the ten years preceding the date of the gift or his/her death. Additionally, for purposes of Dutch gift tax, among others, a person not of Dutch nationality will be deemed to be resident in The Netherlands if such person has been resident in The Netherlands at any time during the 12 months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Other Taxes and Duties

No Dutch registration tax, customs duty, transfer tax, stamp duty, or any other similar documentary tax or duty other than court fees will be payable by a holder of Mittal Steel shares with respect to or in connection with the issuance, grant, exercise, or disposal of Mittal Steel shares, or with respect to any payment of dividends by Mittal Steel thereon.

Table of Contents**MARKET PRICE AND DIVIDEND DATA****Mittal Steel Trading History**

Mittal Steel class A common shares are listed for trading on the NYSE and Euronext Amsterdam, in each case under the symbol MT. The table below sets forth, for the periods indicated, the reported high and low quoted prices of Mittal Steel class A common shares on the NYSE (in U.S. dollars) and Euronext Amsterdam (in euro).

Mittal Steel Shares

	NYSE		Euronext Amsterdam	
	HIGH (in U.S. dollars)	LOW	HIGH (in Euros)	LOW
Month to March 21, 2006	\$ 37.90	\$ 32.40	30.50	27.30
Month Ended				
February 2006	36.40	31.75	30.74	26.82
January 2006	36.55	26.38	30.35	22.05
December 2005	28.73	25.46	24.49	21.75
November 2005	28.12	24.00	24.90	20.50
October 2005	29.54	22.95	25.60	19.25
September 2005	30.78	28.13	25.34	22.51
Year Ended December 31, 2005				
Fourth Quarter	29.54	22.95	25.60	19.25
Third Quarter	30.78	23.55	25.34	19.00
Second Quarter	34.00	22.11	26.10	17.31
First Quarter	43.86	29.70	33.25	22.55
Year Ended December 31, 2004				
Fourth Quarter	42.80	24.50	32.45	19.60
Third Quarter	30.45	14.16	26.50	11.50
Second Quarter	15.06	9.41	12.50	8.30
First Quarter	11.06	6.80	9.00	5.20
Year Ended December 31, 2003	9.06	2.05	7.50	2.05
Year Ended December 31, 2002	3.10	1.26	3.25	1.20
Year Ended December 31, 2001	4.25	0.70	4.45	0.88

Source: Bloomberg.

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Arcelor's shares were first listed on February 18, 2002, and are listed on Euronext Brussels, Euronext Paris, the Luxembourg Stock Exchange and the Spanish Stock Exchanges, in each case under the symbol LOR, except for Euronext Brussels where it is listed under the symbol LORB. Arcelor's ADSs are traded in the over-the-counter market in the United States, and Arcelor's Convertible Bonds are traded on the Luxembourg Stock Exchange.

The tables below set forth, for the periods indicated, the reported high and low quoted prices (in euro) of Arcelor shares and Convertible Bonds on these exchanges, as well as the high and low quoted prices (in U.S. dollars) of Arcelor ADSs as reported through the electronic price and volume reporting system operated by the National Association of Securities Dealers, Inc. for non-NASDAQ securities (the Non-NASDAQ Reporting System).

Arcelor Shares

	Luxembourg								
	Euronext Brussels		Euronext Paris		Stock Exchange		Spanish Exchanges		
	High	Low	High	Low	High	Low	High	Low	
2006									
Month to March 21	33.31	30.03	33.40	30.31	33.25	30.50	33.37	30.33	
February	31.50	28.76	31.61	28.75	31.00	28.85	31.60	28.65	
January	31.00	20.65	31.29	20.60	30.50	20.80	31.16	20.61	
2005									
December	21.40	20.22	21.47	20.03	21.50	20.31	21.45	20.14	
November	20.83	19.45	20.85	19.46	20.78	19.68	20.84	19.47	
October	19.93	18.14	19.95	18.12	19.89	18.30	19.95	18.12	
September	19.95	17.50	19.96	17.72	19.75	17.81	19.95	17.73	
August	18.72	17.23	18.71	17.27	18.72	17.30	18.69	17.25	
Second Quarter	17.81	15.06	17.88	15.03	17.92	15.06	17.88	15.04	
First Quarter	19.40	16.06	19.45	16.08	19.28	16.23	19.44	16.10	
2004									
Fourth Quarter	17.34	14.36	17.26	14.27	17.18	14.20	17.65	14.31	
Third Quarter	14.95	12.50	14.95	12.49	14.95	12.50	14.94	12.50	
Second Quarter	14.80	12.02	14.77	12.15	14.75	12.09	14.75	12.19	
First Quarter	14.98	12.96	15.00	12.81	14.91	12.67	14.98	12.82	
2003									
Fourth Quarter	13.53	9.86	13.45	9.86	13.40	9.94	13.51	9.87	
Third Quarter	12.38	9.77	12.35	9.65	12.26	9.81	12.32	9.64	
Second Quarter	10.16	7.74	10.26	7.67	10.18	7.68	10.30	7.69	
First Quarter	12.19	7.55	12.29	7.56	12.25	7.69	12.28	7.55	
2002									
Fourth Quarter	12.81	8.22	12.88	8.12	12.81	8.22	12.89	8.12	
Third Quarter	14.56	9.67	14.63	9.54	14.58	9.60	14.68	9.48	
Second Quarter	15.68	13.15	15.71	13.16	15.67	13.16	15.69	13.15	

Source: Bloomberg.

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	ADSs	
	High	Low
2006		
Month to March 21	\$ 39.85	\$ 36.50
February	37.80	34.65
January	36.35	25.10
2005		
December	25.60	24.00
November	24.55	23.31
October	24.10	21.85
September	23.65	22.25
August	23.30	21.25
Second Quarter	23.00	18.90
First Quarter	26.05	21.35

Source: Bloomberg.

- ⁽¹⁾ As reported through the electronic price and volume reporting system operated by the National Association of Securities Dealers, Inc. for non-NASDAQ securities (the Non-NASDAQ Reporting System). Under NASD rules, broker/dealers that are members of the NASD are required to report certain information through the Non-NASDAQ Reporting System, including, among other information, (i) the highest price at which it sold and the lowest price at which it purchased each non-NASDAQ security and (ii) the total volume of purchases and sales executed by it in each non-NASDAQ security. The Arcelor ADSs are traded over-the-counter in the United States and are not quoted on the NASDAQ Stock Market or on any United States national securities exchange, and, accordingly, there is no centralized market for the Arcelor ADSs. In addition, trading volumes for the Arcelor ADSs are generally lower than the trading volumes for the Arcelor shares on Euronext Brussels, Euronext Paris, the Luxembourg Stock Exchange and the Spanish Stock Exchanges. As a result, the sales prices for the Arcelor ADSs represented below may not fully reflect the value of the underlying Arcelor common shares.

Trading of Convertible Bonds on the Luxembourg Stock Exchange

	Convertible Bonds	
	High	Low
2006		
Month to March 21	33.09	31.16
February	31.40	29.38
January	30.14	23.59
2005		
December	24.01	23.50
November	23.64	23.12
October	23.24	22.28
September	23.00	22.12
August	22.46	21.92
Second Quarter	22.04	21.14
First Quarter	22.83	21.73
2004		
Fourth Quarter	22.28	21.00
Third Quarter	21.07	20.06
Second Quarter	21.62	20.42

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First Quarter	21.48	20.23
2003		
Fourth Quarter	20.64	19.52
Third Quarter	20.05	19.28
Second Quarter	19.82	18.13
First Quarter	19.39	18.08
2002		
Fourth Quarter	19.40	17.46
Third Quarter	19.52	17.42
Second Quarter	19.64	18.80

Source: Bloomberg.

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Mittal Steel Dividends

The dividends declared by LNM Holdings to its shareholder before it was acquired by the Company were \$164 million in 2003 and \$2,385 million in 2004.

On February 9, 2005, Mittal Steel's board of directors approved a dividend policy for the fiscal year 2005 of \$0.10 per share per quarter (as from the second quarter of 2005), which was approved by Mittal Steel's shareholders at the Annual General Meeting of Shareholders held on May 26, 2005. Quarterly dividends were paid on July 8, 2005, October 12, 2005 and December 15, 2005.

On February 14, 2006, Mittal Steel's board of directors declared an interim dividend of \$0.125 per share payable on March 15, 2006 and decided to propose to the general meeting of the shareholders to amend the dividend policy going forward to a quarterly dividend of \$0.125 per share.

Mittal Steel envisages, following successful completion of the Offer, to adopt a policy of distributing circa 25% of its net income to its shareholders over the course of the steel business cycle. Mittal Steel will review and potentially revise the policy if the business environment improves, *i.e.*, it is anticipated that the Group's earnings volatility would be reduced by its diversified portfolio (geographies, products, etc.). In addition, with the future potential strengthening of the balance sheet and the progress of the integration of the Mittal Steel and Arcelor, Mittal Steel believes that the Group would have the potential to raise its distribution level.

The holders of Mittal Steel class A common shares and Mittal Steel class B common shares are entitled to receive such pro rata distributions, if any, as may be declared by Mittal Steel's Board of Directors out of funds legally available for distribution. Any determination to pay cash dividends is at the discretion of Mittal Steel's Board of Directors, in accordance with Dutch law and Mittal Steel's Articles of Association, and after taking into account various factors, including our financial condition, results of operations, outstanding indebtedness, current and anticipated cash needs, plans for expansion as well as commercial restrictions and other factors affecting Mittal Steel's operating subsidiaries.

Table of Contents**Arcelor Dividends**

The following table sets forth the dividends declared, or, in the case of 2005, announced by the Board of Directors but not yet approved by the shareholders' meeting or declared, by Arcelor since its inception:

Year	Dividend	
	Total (in millions)	Per Share ()
2005	737.1	1.20
2004	415.9	0.65
2003	213.2	0.40
2002	202.3	0.38

Table of Contents**EXCHANGE RATE AND CURRENCY INFORMATION**

Certain financial information contained herein is presented in euro. References herein to euro, EUR and refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam. References to \$, U.S.\$ and U.S. dollars are to United States dollars.

Mittal Steel publishes its financial statements in U.S. dollars, and Arcelor publishes its financial statements in euro. This prospectus contains translations of some euro amounts into U.S. dollars. These amounts are provided solely for your convenience. Unless otherwise indicated, translations of euro amounts into U.S. dollars were made at the rate of 1.00 = \$1.22, which was the Noon Buying Rate in New York City for cable transfers in foreign currencies as certified by the Federal Reserve Bank of New York (the Noon Buying Rate) on January 31, 2006.

The following table shows the period-end, average, high and low Noon Buying Rates for the euro, expressed in U.S. dollars per one euro, for the periods and dates indicated.

Month	Period	Average		
		rate ⁽¹⁾	High	Low
U.S. dollar/Euro	End	rate⁽¹⁾	High	Low
Month to March 21, 2006	1.21	1.20	1.22	1.19
February 2006	1.19	1.19	1.21	1.19
January 2006	1.22	1.21	1.23	1.20
December 2005	1.18	1.19	1.20	1.17
November 2005	1.18	1.18	1.21	1.17
October 2005	1.20	1.20	1.21	1.19
September 2005	1.21	1.22	1.25	1.20
August 2005	1.23	1.23	1.24	1.21
First Half 2005	1.21	1.28	1.35	1.20
Year				
U.S. dollar/Euro				
2005	1.18	1.24	1.35	1.17
2004	1.35	1.25	1.36	1.18
2003	1.26	1.14	1.26	1.04
2002	1.05	0.95	1.05	0.86
2001	0.89	0.89	0.95	0.84
2000	0.94	0.92	1.03	0.83

Source: Federal Reserve Bank of New York

⁽¹⁾ The average of the Noon Buying Rates on the last business day of each month (or portion thereof) during the relevant period for annual and semi-annual averages; on each business day of the month (or portion thereof) for monthly average.

Fluctuations in exchange rates that have occurred in the past are not necessarily indicative of fluctuations in exchange rates that may occur at any time in the future. No representations are made herein that the euro or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or euro, as the case may be, at any particular rate.

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SERVICE OF PROCESS AND ENFORCEABILITY OF CIVIL LIABILITIES

Mittal Steel is organized under the laws of The Netherlands and the majority of the members of Mittal Steel's board of directors are residents of The Netherlands or other countries outside the United States. The majority of Mittal Steel's assets are located outside the United States and a majority of Mittal Steel's directors and officers and some of the experts named herein reside outside the United States. As a result, U.S. investors may find it difficult:

to effect service of process within the United States upon Mittal Steel and the directors and officers of Mittal Steel located outside the United States;

to enforce in U.S. courts or outside the United States judgments obtained against the directors and officers of Mittal Steel in U.S. courts; and

to enforce in U.S. courts judgments obtained against the directors and officers of Mittal Steel in courts in jurisdictions outside the United States.

Mittal Steel's Dutch counsel, Nauta Dutilh, has advised Mittal Steel that there is doubt as to the enforceability in The Netherlands in original actions or actions for enforcement of judgments of U.S. courts of civil liabilities predicated solely upon the U.S. federal securities laws. Mittal Steel has been further advised by Nauta Dutilh that the United States and The Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not be enforceable in The Netherlands. However, if the party in whose favor such judgment is rendered brings a new suit in a competent court in The Netherlands, that party may submit to a Dutch court the final judgment that has been rendered in the United States. If the Dutch court finds that the jurisdiction of the federal or state court in the United States has been based on grounds that are internationally acceptable and that the final judgment concerned results from proceedings compatible with Dutch concepts of due process, to the extent that the Dutch court is of the opinion that reasonableness and fairness so require, the Dutch court would, in principle, under current practice, recognize the final judgment that has been rendered in the United States and generally grant the same claim without relitigation on the merits, unless the consequences of the recognition of such judgment contravene public policy in The Netherlands. It is not certain, however, that these court practices also apply to default judgments.

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VALIDITY OF SECURITIES

The validity of the Mittal Steel shares to be issued pursuant to the Offer will be passed upon by Nauta Dutilh, Dutch counsel to Mittal Steel.

Table of Contents**EXPERTS**

The consolidated financial statements of Mittal Steel Company N.V. (formerly Ispat International N.V.) and subsidiaries (the Company), except for the consolidated financial statements of Mittal Steel Holdings A.G. (formerly Mittal Steel Holdings N.V., formerly LNM Holdings N.V., a consolidated subsidiary) (except for Mittal Steel Poland, S.A. (formerly Ispat Polska, S.A.), a consolidated subsidiary of Mittal Steel Holdings A.G., whose consolidated financial statements for the year ended December 31, 2004 were audited by Deloitte Accountants B.V.), as of December 31, 2004, and for each of the two years in the period ended December 31, 2004, incorporated in this prospectus by reference have been audited by Deloitte Accountants B.V. as stated in their report which is incorporated by reference herein. The financial statements of Mittal Steel Holdings A.G. and subsidiaries (consolidated with those of the Company) (not separately incorporated by reference herein) as of December 31, 2004 and for each of the two years in the period ended December 31, 2004, have been audited by Ernst & Young Accountants, except for the consolidated financial statements of Mittal Steel South Africa (formerly Ispat Iscor Limited, formerly Iscor Limited), a consolidated subsidiary of Mittal Steel Holdings A.G. as of and for the year ended December 31, 2004, and an equity method investee for the year ended December 31, 2003 (not separately incorporated by reference herein), which have been audited by KPMG Inc., as stated in their reports incorporated by reference herein. Such financial statements of the Company and its consolidated subsidiaries are incorporated by reference herein in reliance upon the respective reports of such firms given upon their authority as experts in accounting and auditing. All of the foregoing firms are independent registered public accounting firms.

On February 14, 2006, pursuant to Rule 409 promulgated under the Securities Act, Mittal Steel requested that Arcelor's independent public accountants consent in a customary manner to the inclusion of Arcelor's audit reports with respect to the financial statements of Arcelor included in this prospectus. Mittal Steel has not received a substantive response to date.

The consolidated financial statements and schedule of ISG and its subsidiaries as of December 2004 and for the year ended December 31, 2004 have been incorporated by reference herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. The report refers to a change in the method of accounting for inventories on the last-in, first-out basis, effective January 1, 2004.

In December 2004, Ernst & Young Accountants, then Mittal Steel Holdings' independent registered public accounting firm, advised the Audit Committee of the Company that it had identified an independence issue related to providing prohibited payroll services in The Netherlands. These services involved processing payroll for approximately 17 employees of Mittal Steel Holdings' Rotterdam office in 2002, 2003 and early 2004. In connection with the performance of these payroll processing services, Ernst & Young Accountants received Mittal Steel Holdings' funds into a bank account jointly controlled by Ernst & Young Accountants and Mittal Steel Holdings totaling approximately fifty thousand dollars per month, which were used to make monthly payroll payments. This service ceased in February 2004. Ernst & Young Accountants received fees for these payroll services of approximately seven thousand dollars per year in 2002 and 2003, respectively.

The AICPA independence rules, as well as the SEC auditor independence rules, prohibit a bank account jointly controlled by Mittal Steel Holdings and Ernst & Young Accountants. The Company's Audit Committee and Ernst & Young Accountants have discussed Ernst & Young Accountants' independence with respect to Mittal Steel Holdings in light of the foregoing facts. Both the Company's Audit Committee and Ernst & Young Accountants have considered the impact that the holding and paying of these funds may have had on Ernst & Young Accountants' independence with respect to Mittal Steel Holdings and have each independently concluded that there has been no impairment of Ernst & Young Accountants' independence. In making this determination, Ernst & Young Accountants and the Mittal Steel Audit Committee considered, among other matters, the *de minimis* amount of funds involved and that the payroll expenses involved were not material to the consolidated financial statements of Mittal Steel Holdings. Furthermore, the payroll calculations for 2002 through February 2004 have been recalculated by an unrelated third party.

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SUMMARY OF CERTAIN DIFFERENCES BETWEEN IFRS AND U.S. GAAP (UNAUDITED)

The consolidated financial statements of Mittal Steel Company N.V., incorporated by reference, conform to U.S. GAAP, while Arcelor prepares its financial statements in accordance with IFRS. The matters described below summarize certain differences between U.S. GAAP and IFRS that may be material. Potential investors should consult their own professional advisors for an understanding of the differences between U.S. GAAP and IFRS, and how those differences might affect the available financial information.

Business Combinations

Negative Goodwill

Under U.S. GAAP, any negative goodwill has to be allocated on a pro-rata basis to all acquired assets other than all current assets, all financial assets (other than equity investments), assets to be disposed of by sale, prepaid assets relating to pensions, and deferred taxes. Any remaining negative goodwill is recognized as an extraordinary gain in the income statement.

Under IFRS, when the purchase price allocation results in negative goodwill, the acquirer must reassess the identification and measurement of the acquired assets, liabilities and contingent liabilities. Any excess that remains is recognized immediately in the income statement.

Contingent Liabilities

Both under U.S. GAAP and IFRS contingent liabilities are included in the allocation of the purchase price, however in U.S. GAAP they should be probable and measurable, while IFRS only has the measurable criteria.

Minority Interest

Under U.S. GAAP, minority interest is generally measured as the minority's proportion of the pre-acquisition historical book value of the identifiable net assets acquired. Under IFRS, minority interest is measured as the minority's proportion of the net fair value of the identifiable net assets acquired.

Under U.S. GAAP, minority interest is presented separately in the financial statements. Under IFRS, minority interest is presented as a component of equity.

Step Acquisitions

Under U.S. GAAP, revaluation of previous interests in the acquirer's net assets in step acquisitions is not allowed.

Under IFRS, the revaluation of previous interests at fair value at each acquisition date is required.

Impairment Test

Both under U.S. GAAP and IFRS, goodwill is reviewed for impairment, at least annually or whenever events or changes in circumstances indicate that the recoverability of the carrying amount must be assessed.

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Under U.S. GAAP, an impairment test is two tier. And an impairment test using discounted cash flows is performed, only if the asset fails a recoverability test performed on the basis of undiscounted cash flows. An impairment loss is calculated by comparing the asset's carrying amount to its fair value.

Under IFRS, if an indicator for impairment is identified, an impairment test is performed using discounted cash flows. Therefore, an impairment loss could be recognized earlier under IFRS.

Under U.S. GAAP, reversal of impairment is not allowed.

Under IFRS, impairment losses may reverse, due to changed circumstances, except for an impairment loss for goodwill.

Consolidation

Subsidiaries

Under U.S. GAAP, the usual condition for consolidating a financial interest is ownership of a majority voting interest and as a general rule, ownership, either directly or indirectly, of over 50% of the outstanding voting shares constitutes control.

Under IFRS, consolidation of subsidiaries is required over which a parent company exercises control. Control is considered as being exercised in cases where a parent is in a position to manage the subsidiary's financial and operating policies with a view to benefiting from its business.

Special Purpose Entities

Under U.S. GAAP, certain variable interest entities are to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties.

Under IFRS, consolidation of special purpose entities (SPEs) is required where the substance of the relationship indicates that an entity controls the SPE.

Employee Benefits

Although the basic principles for accounting for defined benefit plans are similar in U.S. GAAP and IFRS there are a number of differences that can have a major impact.

Minimum Pension Liability and Asset Ceiling

Under U.S. GAAP, a minimum pension liability is recorded if the accumulated benefit obligation exceeds the plan assets.

IFRS does not recognize a minimum pension liability.

Under IFRS, in case of pension asset, this may not always be recognized as it needs to be evaluated against the criteria for the asset ceiling.

Under U.S. GAAP there is no such concept of asset ceiling.

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Past Service Cost

Under U.S. GAAP, prior service cost related to retirees is amortized over the average remaining service period of active plan participants (if the plan participants are mainly active employees) or over the average remaining life expectancy of retirees (if the plan participants are mainly retirees).

Under IFRS, all past service cost related to retirees and vested active employees is expensed immediately.

Income Taxes

Although the general approach under U.S. GAAP and IFRS is similar there are a number of differences. Differences amongst others relate to deferred tax on goodwill, deferred tax on investments in subsidiaries, post acquisition recognition of acquiree's tax losses and recognition of previously unrecognized tax losses.

Under U.S. GAAP, the use of substantively enacted tax rates is prohibited.

Under IFRS, deferred tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted.

Inventories

Under U.S. GAAP, when the cost of inventories is no longer recoverable, inventories are to be written down to their current replacement cost, which should not exceed their net realizable value.

Under IFRS, inventories should be written down to their net realizable value, which is the estimated selling price in the ordinary course of business less the costs of completion and sales costs.

Under U.S. GAAP, an impairment loss may not be reversed once it has been recognized.

Under IFRS, the reversal of a previous impairment of inventory if it is no longer required is permitted.

Under U.S. GAAP, the LIFO (last in first out) method is permitted, whereas under IFRS it is prohibited.

Financial Instruments

Classification and Measurement

U.S. GAAP and IFRS, provisions on classification and measurement of financial instruments are similar, except that that under U.S. GAAP there is no option to designate any financial asset on initial recognition as at fair value through profit or loss; only items that qualify as trading would be classified as at fair value through profit and loss. Under U.S. GAAP, debt securities must be classified according to management's intent to hold the security in one of the following categories: trading, held-to-maturity, or available-for-sale. Equity securities are classified as either trading or available for sale.

Under IFRS, measurement of financial assets depends on their classification in one of the following categories: held-to-maturity investments; loans and receivables; financial assets at fair value through profit or loss and available-for-sale financial assets.

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Hybrid Financing

Under U.S. GAAP, an issuer is required to classify a financial instrument that is within its scope as a liability (or asset in some circumstances) when the financial instrument embodies an obligation of the issuer.

Under IFRS, an instrument is classified as equity when it does not contain an obligation to transfer economic resources. An entity recognizes separately the components of a financial instrument that (a) creates a financial liability of the entity and (b) grants an option to the holder of the instrument to convert it into an equity instrument of the entity.

Derivatives and Hedging

U.S. GAAP and IFRS guidelines for hedging activities are generally similar. Both require that derivatives be initially recorded at fair value on the balance sheet as either financial assets or liabilities. Both also require that derivatives be subsequently measured at fair value regardless of any hedging relationship that might exist. U.S. GAAP and IFRS permit special accounting treatment for financial and derivative instruments that are designated as hedged items or as hedging instruments if certain criteria are met (hedge accounting). However, there are differences between the standards as to which transactions will qualify for hedge accounting and as to how some of the hedge accounting provisions are applied.

U.S. GAAP allows, assuming stringent conditions are met, a short-cut method that assumes perfect effectiveness for certain hedging relationships involving interest rate swaps. This exemption from performing quantitative retrospective effectiveness tests is not allowed under IFRS.

Intangible Assets

Under U.S. GAAP, general research and development costs that are not covered by separate standards are expensed as they are incurred.

Under IFRS, the costs of research must be expensed as they are incurred. When the technical and economic feasibility of a project can be demonstrated, and further prescribed conditions are satisfied, the costs of the development of the project must be capitalized.

Provisions

Restructuring Provisions

Under U.S. GAAP, a liability for costs associated with exit or disposal activities, other than in a business combination, is recognized when the liability is incurred. The liability is to be measured at fair value and adjusted for changes in estimated cash flows. Recognition of a liability based solely on commitment to a plan is prohibited under U.S. GAAP. Restructuring provision must meet the definition of a liability, including certain criteria regarding the likelihood that no changes will be made to the plan or that the plan will be withdrawn.

Under IFRS, a present obligation exists only when the entity is demonstrably committed to the restructuring. An entity is usually demonstrably committed when there is a binding sale agreement (legal obligation), or when the entity has a detailed formal plan for the restructuring and is unable to withdraw because it has started to implement the plan or announced its main features to those affected (constructive obligation).

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Asset Retirement Obligations

Under U.S. GAAP, the provision is built up in cash flow layers with each layer discounted using the discount rate at the date that the layer was created. Remeasurement of the entire obligation using current discount rates is not permitted.

Under IFRS, if there is a change in the discount rate the entire provision must be recalculated using the current discount rate.

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INTRODUCTION

This appendix sets forth certain information with respect to Arcelor, excerpted from the following publicly available Arcelor documents:

Arcelor Press Release dated February 16, 2006;

Third Quarter 2005 Report to Shareholders;

First Half 2005 Report to Shareholders;

2004 Annual Report to Shareholders; and

2003 Annual Report to Shareholders.

Arcelor prepares its financial statements under International Financial Reporting Standards (IFRS), which differ in certain significant respects from U.S. GAAP. These differences, as they relate to Arcelor, cannot be quantified based on Arcelor's publicly available financial information.

On February 14, 2006, pursuant to Rule 409 promulgated under the Securities Act, Mittal Steel requested that Arcelor and its independent accountants provide to Mittal Steel all material information with respect to Arcelor required to be included in this prospectus or required to make statements made herein not misleading. On such date, Mittal Steel also requested that Arcelor's independent public accountants consent in a customary manner to the inclusion of their audit reports with respect to the financial statements of Arcelor included in this prospectus. Mittal Steel has not received a substantive response to date.

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**PRESS RELEASE ANNOUNCING UNAUDITED FINANCIAL RESULTS FOR THE YEAR ENDED
DECEMBER 31, 2005**

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PRESS RELEASE

2005 annual results:

**Arcelor pursues global growth and delivers
excellent results: EUR 3.85 billion net profit**

Dividend: 1.2 euros per share, 85% increase per share

Earnings per share of 6.26 euros

ROCE : 26.5 (return on capital employed)

Successful global growth

Outstanding management gains

Strong cash-flow generation

Demonstrated increased resilience to industry cycle

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In the fourth year since its creation, Arcelor reports outstanding results with a gross operating result of EUR 5.6 billion and a net result, group share of EUR 3.8 billion. Strong cash generation allowed further debt reduction of 1.3 billion in 2005.

At 1,252 million euros, net profit, group share, for the fourth quarter, shows excellent resilience of results despite adverse market conditions added to year end seasonal effects.

Resolutely profitable and growth oriented: 2005 highlights

EUR 1.9 billion cumulated management gains on an annual basis since the creation of Arcelor in 2002. Target of EUR 700 million merger related synergies achieved one year ahead of schedule;

Continuous improvement of profitability - through cost cutting and restructuring of its European base and Brazilian expansion;

Margins protected by production levels adaptation to market needs in Europe;

Active portfolio management;

Continuous improvement of safety ratios at group level: accident frequency rates divided by four since 2002;

Number one steelmaker in Latin America with the creation of Arcelor Brasil and the acquisition of a majority stake in Acesita. These structural enhancements have improved the Group's risk profile which benefits now from an enhanced portfolio of products and a broadened, highly competitive global industrial base. The addition of Canadian steelmaker Dofasco will further strengthen Arcelor's global industry leadership position.

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Luxembourg, February 16th, 2006 - The Board of Directors meeting on February 15th, 2006 under the chairmanship of Joseph Kirsch reviewed the financial elements of the Group and the Company for 2005.

The Board of Directors will propose to the shareholders meeting a **gross dividend of 1.20 euros per share** (0.65 euros in 2004). Dividend will be paid on May 28th, 2006, subject to General Assembly.

At December 31st 2005, **net result, group share**, amounted to 3,846 million euros compared to 2,314 million for the year 2004.

For the fourth quarter 2005, net profit group share amounted to 1,252 million euros.

Consolidated revenue for the Group in 2005 was 32,611 million euros compared to 30,176 million for 2004, or an increase of 8.1 percent (3.9 percent on a comparable basis). The fiscal year has been characterized by a severe drop on spot prices along the third quarter leading to significant reduction of shipments (-3.4 percent on total and -12.9 percent in Europe) and production cuts (-11.4 percent in Europe).

Consolidated revenue for the fourth quarter was 8,352 million euros compared to 8,431 million for the fourth quarter of 2004. Consolidated revenue include Acesita, consolidated as of October 1st, 2005.

Geographical breakdown of sales was as follows: 71.2 percent in the EU (25), 9.1 percent in North America, 10.8 percent in South America and 8.9 percent in the rest of the world. Growth in South America is mainly due to the consolidation of Acindar (Long Carbon Steel, Argentina) and CST (Flat Carbon Steel, Brazil) for the full year.

Consolidated gross operating result amounts to 5,641 million euros in 2005, compared to 4,341 million in 2004 and comprises 106 million of non recurring items. Management gains and the full consolidation of CST (Brazil) and Acindar (Argentina) added to average selling prices (except for stainless) have contributed to this excellent performance despite a strong increase in raw materials prices.

Consolidated gross operating profit amounted to 1,136 million euros for the fourth quarter compared to 1,464 million for the fourth quarter 2004, reflecting lower volumes and full effect of raw materials cost impact.

Consolidated operating result was 4,376 million euros in 2005 against 3,194 million in 2004 including 198 million of non recurring items.

Consolidated operating profit for the last quarter 2005 was 933 million euros, to be compared with 1,122 million for the equivalent period of 2004.

After net financial charges of 254 million euros, a positive contribution from associates of 317 million, taxes of 161 million and minority interests for 432 million, **consolidated net result, group share**, was 3,846 million euros, compared to 2,314 million in 2004.

The fiscal charge amounts to 161 million euros, i.e. an effective tax rate of 3.9 percent. The current charge of 396 million euros (360 million for 2004) has been reduced by a deferred tax income of 235 million euros. This has been essentially generated by the capitalization, according to IFRS, of tax losses carried forward, valued on a yearly basis, and following the positive outlook of the Group's business plans.

Net profit, group share for the fourth quarter 2005 was 1,252 million euros compared to 820 million for the fourth quarter of 2004. This profit includes 113 million of financing costs, compared to 196 for 2004, 445 million of tax income compared to a tax expense of 17 million for 2004 and 75 million for minority interests compared to 156 million for 2004.

Table of Contents**Key figures of the Group**

<i>In millions of euros</i>	2004*	2005***
Revenues	30,176	32,611
Gross Operating Result	4,341	5,641
Operating Result	3,194	4,376
Net Result, Group share	2,314	3,846
Earnings per Share (<i>in euro</i>)	4.26**	6.26****

* CST consolidated as of October 1st, Acindar consolidated as of May 1st

** Including 106, 629, 054 new shares issued on July 27th 2004, and excluding treasury shares

*** Acesita consolidated as of October 1st, 2005

**** Excluding treasury shares

Evolution of net financial debt

Net financial debt was reduced by 1 255 million euros during the fiscal year 2005 (1,257 million euros at December 31st 2005 against 2,512 million at December 31st 2004).

Cash generation was strong through working capital requirements management, with a tight control over inventories and despite high cost of raw materials impact. Total capital expenditures amounting to 2 billion euros reflect expansion in Brazil (increase of production of 2.5 million tons at CST) and were kept at an optimized level in Europe (1.1 billion euros).

Net financial debt/shareholders equity ratio, including minority interests was 0.07 at December 31, 2005 compared to 0.20 at December 31, 2004, thus much lower than 0.35 to 0.50 target over the cycle.

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<i>In millions of euros</i>	2004	2005*
Shareholders' equity*	12,317	17,633
Net financial debt	2,512	1,257
Net financial debt/Shareholders' equity	0.20	0.07

* Including minority interests and residual negative goodwill

Flat Carbon Steel

At 18,060 million euros for 2005 compared to 16,139 million for 2004, **revenue** of the flat carbon steel increased by 3.3 percent on a comparable basis, due to both price increase effect (+12.7% percent) and despite a negative volume effect (-9.4 percent). The decrease in volumes which affected most notably general industry (-1.3 million tons) translated into a positive mix effect.

At 28.1 million tons in 2005 (including 4.4 million tons from CST) compared to 28.5 million tons in 2004 (Brazil: 1.7 million ton), shipments of flat carbon products have decreased in Europe by 11.4 percent, mostly in the spot related, general industry products, while remaining stable in Brazil.

Revenue of flat carbon steel was 4,520 million euros for the last quarter of 2005, compared to 4,680 million for the same period 2004, reflecting negative effects for spot selling prices and volumes, while total price effect remained positive due to contracts.

Despite this voluntary reduction of shipments adjusting the Group's supply to a negative apparent consumption during the second and third quarter, and despite a sharp increase of costs due to raw materials **Gross operating result** amounted to 3,634 million euros compared to 2,299 million for 2004. This performance is attributable to higher average selling prices but also to continuous management gains through cost reductions, restructuring implementation and very tight control of metal inventories.

At 609 million euros for the fourth quarter 2005 compared to 908 million for the last quarter 2004, gross operating profit reveals more difficult pricing conditions for spot prices coupled with the full impact of very high raw materials costs as well as seasonal year end effects.

Operating result amounted to 2,773 million euros in 2005 against 1,666 million in 2004.

Operating result was 381 million euros for the fourth quarter 2005 compared to 726 million for the equivalent period of 2004.

Crude steel production amounted to 32.9 million tons in 2005 (CST: 4.9) compared to 31.9 million tons in 2004 (CST: 1.2 million tons as consolidated fully in October 1st, 2004).

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Long Carbon Steel

At 6,618 million euros for 2005 compared to 6,221 million for 2004, **revenue** of the Long Carbon Steel sector increased by 6.4 percent (or 12 percent on a comparable basis) benefiting from a scrap surcharge mechanism, and the strong appreciation of the Brazilian Real On a comparable basis the increase of the turnover is due to price effect (10.7 percent), total volumes remaining stable (1.4 percent).

Total shipments in 2005, amounted to 12.3 million tons compared to 13.4 million tons in 2004. Europe accounted for 7.8 million tons shipments compared to 9.5 million tons in 2004, -17.5% (-7.1 percent on a comparable basis) when Brazil and Argentina shipped 4.5 million tons in 2005 compared to 3.9 million tons in 2004 (eight months of Acindar consolidated as of May 1st 2004).

Revenue for the fourth quarter for long carbon products amounted to 1,674 million euros compared to 1,650 million for the same period in 2004. At comparable scope, revenue increase by 13.9 percent, largely through the appreciation of the Brazilian Real and a positive volume effect partially offset by lower prices in some commodity products (sections, bars and rods).

At 1,371 million euros in 2005 compared to 1,287 million in 2004, **gross operating result** at comparable scope slightly decreased (-1.5 percent). In Europe the decrease is the net result of negative volume effect partially offset by higher margins over factor costs and management gains. In Americas, operating result strongly increased despite an unfavourable geographical sales mix. At 20.7 percent the gross operating margin of the sector remains stable at historical levels (20.7 percent in 2004).

Gross operating results at 335 million euros for the last quarter 2005 compared to 340 million for the equivalent period of 2004 shows great stability thanks to management gains and improved mix largely offsetting lower selling prices.

Operating result amounted to 1,111 million euros in 2005 compared to 1,078 million in 2004 or a 16.8 percent margin compared to 17.3 percent for 2004. Operating result includes 113 million euros of non-recurring items (of which 96 million from the sale of Corrugados in Spain).

For the fourth quarter operating result was 280 million euros, to be compared with 259 million for the fourth quarter 2004.

Crude steel production at 6.7 million tons, compared to 8.5 million tons in 2004, was down 20.7 percent in Europe, while Latin America was up 12 percent with 4.5 million tons produced in 2005 compared to a production of 4.1 million tons for 2004 (eight months of Acindar).

Stainless Steels & Alloys

At 4,028 million euros for 2005 compared to 4,577 million in 2004, **revenues** for the Stainless Steel & Alloys decreased by -12 percent (-0.4 percent on a comparable basis) due to both a positive price impact of 4.6 percent and a negative mix/volume impact of -5.1 percent). Positive price effect is explained by a strong increase in alloy surcharges during the three first quarters compensating the decline in volumes due to poor demand and base price erosion.

Shipments of 1.6 million tons (Acesita accounts for 171 thousand tons) compared to 1.7 million tons (Acesita not consolidated) decreased by 14.8 percent in Europe.

Revenues for stainless and alloys activities were 1,199 million euros for the fourth quarter 2005 against 1,159 million for the equivalent period of 2004 reflecting positive volume effect while selling prices effect were negative due to significant decrease on base price.

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At 173 million euros in 2005 or a 4.3 percent gross margin, compared to 258 million in 2004 or 5.6 percent gross margin, **gross operating result** reflects negative impact of rising costs due to nickel prices (+15 percent for the 304) and to low production, incurred because of poor demand and high inventories situation. Good management gains and slightly higher prices on a yearly basis did not offset the rising cost situation.

Gross operating results of 8 million euros for the fourth quarter 2005 compared to 98 million for the fourth quarter 2004 translate negative price effects as mentioned added to very high costs due to nickel price evolution. This evolution also takes into account the commissioning of the new steel shop at Carinox (Belgium).

Following the full consolidation of Acesita as at October 1st 2005, the balance sheet of the company was stated at its fair value in accordance with IFRS. As a result, net assets of the company increased by 425 million of euros. The sale of inventories stated at market value in the same context of acquisition had a negative impact of 53 million of euros on the gross operating result of the last quarter 2005.

Operating result was 93 million euros compared to 117 million in 2004, respectively margins of 2.3 and 2.6 percent. Production at Carinox (Belgium) has started during the last quarter, the decommissioning of the steel shop at Isbergues (France) being planned for the summer.

Stainless steel production amounted to 1.7 million tons (Acesita: 190 thousand tons) million tons compared to 1.9 million tons in 2004, a decrease of 16.8 percent in Europe.

Operating result for the last quarter of 2005 was 43 million euros compared to 67 million for the equivalent period of 2004.

Arcelor Steel Solutions and Services

At 8,656 million euros for 2005 compared to 8,267 million for 2004, **revenue** of the distribution activities increases 4.7 percent (3.4 percent on a comparable basis) due to higher average selling prices and despite a sharp drop in volumes, mainly during the third quarter. Net scope effect due to small disposals and newly consolidated construction units amounted to 109 million euros, as A3S pursues a very active management portfolio.

At 2,211 million euros, revenue for distribution activities for the fourth quarter of 2005 compare with 2,365 million euros for the fourth quarter of 2004. Aside from a scope effect of 133 million the difference lies in negative selling prices and volumes effects. Nevertheless, the last quarter shows improvement compared to the third quarter of 2005 due to improved volumes.

Gross operating result amounted to 328 million euros in 2005 compared to 513 million in 2004, reflecting a squeeze due to increased cost of metal and the air pocket in shipments experienced from the end of second quarter through the fourth quarter. Management gains represent more than 10 percent of gross operating result.

Gross operating result for the last quarter of 2005 was 98 million euros compared to 138 million for the last quarter of 2004. This evolution essentially translates much higher averages costs of metal but sound management gains.

Operating result for the full year 2005 was 254 million euros compared to 395 million in 2004.

For the fourth quarter of 2005, operating result was 96 million euros to be compared with 101 million for the same period last year.

Total volume sold for 2005 amounted to 13.7 million tons compared to 15.0 million tons for 2004. Around 19 percent of total shipments were based on purchases from third parties.

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<i>In millions of euros</i>	2004						2005					
	Revenues	Gross Op.			Op.			Revenues	Gross Op.			Op.
		Result	%	Result	%	Result	%		Result	%		
Flat Carbon Steel	16,139	2,299	14.2%	1,666	10.3%	18,060	3,634	20.1%	2,773	15.4%		
Long Carbon Steel	6,221	1,287	20.7%	1,078	17.3%	6,618	1,371	20.7%	1,111	16.8%		
Stainless & Alloys	4,577	258	5.6%	117	2.6%	4,028	173	4.3%	93	2.3%		
Arcelor Steel Solutions and Services	8,267	513	6.2%	395	4.8%	8,656	328	3.8%	254	2.9%		
<i>Others</i>	1,081	-16	<i>n.a.</i>	-62	<i>n.a.</i>	1,961	132	<i>n.a.</i>	142	<i>n.a.</i>		
<i>Intra-Group</i>	-6,109	0	<i>n.a.</i>	0	<i>n.a.</i>	-6,712	3	<i>n.a.</i>	3	<i>n.a.</i>		
Total	30,176	4,341	14.4%	3,194	10.6%	32,611	5,641	17.3%	4,376	13.4%		

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<i>In millions of euros</i>	Q4 2004					Q4 2005				
	(3 months)					(3 months)				
	Revenues	Gross Op. Result	%	Op. Result	%	Revenue	Gross Op. Result	%	Op. Result	%
Flat Carbon Steel	4,680	908	19.4%	726	15.5%	4,520	609	13.5%	381	8.4%
Long Carbon Steel	1,650	340	20.6%	259	15.7%	1,674	335	20.0%	280	16.7%
Stainless & Alloys	1,159	98	8.5%	67	5.8%	1,199	8	0.7%	43	3.6%
Arcelor Steel Solutions and Services	2,365	138	5.8%	101	4.3%	2,211	98	4.4%	96	4.3%
<i>Others</i>	282	-20	n.a.	-31	n.a.	470	84	n.a.	131	n.a.
<i>Intra-Group</i>	-1,705	0	n.a.	0	n.a.	-1,722	2	n.a.	2	n.a.
Total	8,431	1,464	17.4%	1,122	13.3%	8,352	1,136	13.6%	933	11.2%

Sustainable Development

In the area of sustainable development Arcelor strengthened its actions plans in 2005 and made significant progress. The occupational accident frequency rate further decreased from 3.7 in 2004 down to 2.4 accidents with work interruption per million of hours worked in 2005. This evolution confirms the steady improvement that had been initiated since 2002 through a strong involvement of the management and an intensive cooperation with the employees representatives.

The Group has pursued the implementation of its environmental policy (at the end of 2005, 97 percent of Arcelor production plans were ISO 14001 certified), while monitoring legal and regulatory evolutions. Arcelor has decreased the total volume of its non-valorized residuals by 25% over the last three years and now scores a 95% valorization rate. Furthermore, 6 out of the 33 steel making sites owned by Arcelor can be considered as zero effluents plants.

Arcelor has cut its total CO₂ emissions by 18 percent since 1990 in Europe. For the period of 2005-2007 Arcelor has been granted a sufficient quantity of CO₂ emission credits under the various national allocation plans in relevant European countries to cover its anticipated steel production level.

To prepare the future and to further reduce the greenhouse gas emissions, Arcelor is coordinating the efforts of 48 corporations and universities in the context of an ambitious research program called ULCOS: Ultra Low CO₂ Steelmaking. This project aiming to develop breakthrough technologies is supported by the European Commission.

Respecting multiculturalism is an everyday reality in Arcelor with more than 60 nationalities represented in the Group and its Boards.

In 2005, Arcelor was the first company in the steel industry to sign a Worldwide Agreement on Principles of Corporate Social Responsibility with the International Metalworkers Federation (IMF) and the European Metalworkers Federation (EMF). This joint agreement highlights Arcelor's commitment to apply the same social and environmental highest standards in all its entities.

Arcelor complies with the most stringent standards of Corporate Governance: split between Chairman and CEO functions, non-executive Directors, a high majority being independent, two committees and a high quality financial communication with investors and shareholders.

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In 2005, Arcelor was once again rewarded for its commitment to sustainable development: the Group joined the DowJones Sustainability Index World (where it is one of the three steelmakers with Dofasco), the FTSE4Good Global & FTSE4Good Europe indices and was the only steelmaker to be listed in the Global 100 Most Sustainable Corporations in the World.

Outlook

In 2005, world steel production has grown by 6 percent, apparent consumption representing more than a billion tons. This growth has been very different by regions: excluding China growth was 1 percent negative due to a strong destocking phase in the US and in Europe (25). China showed 23 percent growth, representing 32 percent of world steel demand.

For 2006 at an expected +7 percent, world growth should be more balanced, with apparent consumption in China increasing by 10 percent due to high inventories while the growth in the rest of the world could reach 5 percent, benefiting from apparent consumption growth which could reach 5 percent in EU 25 and of 7 percent in North America boosted by the rebuilding of inventories after a significant depletion at the end of 2005.

Business prospects

After an excellent year in 2005, 2006 should be a good year for the steel industry and a very good year for Arcelor.

Low inventories offer an environment for price increases and increased prices for long term contracts will ensure good results despite remaining tensions which could remain at high levels.

While pursuing active portfolio management to further reduce the volatility of earnings, Arcelor accelerates its transformation plan by on one hand pursuing its cost cutting and restructuring plans announced at the time of the merger and in 2003 and by expanding both in growth and low cost areas, to both lower its break-even point and expand its leadership in global markets. Arcelor has delivered the 700 million euros per year of merger related synergies one year ahead of plan.

Further gains are expected from the implementation of announced plans for the next years. Arcelor's growth goals have been partially implemented with the consolidation of Arcelor's performance in 2006 should be further strengthened thanks to the consolidation of Dofasco and Acesita as well as through continued cost cutting efforts. The expansion of CST is to deliver a further structural improvement to profitability while continuing external projects which are at different stages of maturity should allow to increase Arcelor's exposure to high-growth markets across the globe.

Active portfolio management including divestments of non core or businesses and the implementation of planned closures will be carried out within the Arcelor tradition of sustainability and social responsibility. These actions will not prevent Arcelor to continue to develop its business, investing organically or through targeted acquisitions, protecting its state of the art industrial tools through sound and adapted capital expenditure while progressing on the upper end of added value markets and products in conjunction with sophisticated partnerships, more notably in R&D.

The Arcelor Board of Directors has unanimously rejected the hostile bid of Mittal Steel on January 29, 2006, and mandated the Group Management Board to evaluate all options that are in the best interest of the shareholders and all other stakeholders. Notably this offer strongly undervalues Arcelor which has brilliant development and value perspectives.

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About Arcelor

Arcelor is the number one steel company in the world with a turnover of 32.6 billion euros in 2005. The company holds leadership positions in its main markets: automotive, construction, household appliances and packaging as well as general industry. The company - number one steel producer in Europe and Latin America - ambitions to further expand internationally in order to capture the growth potential of developing economies and offer technologically advanced steel solutions to its global customers. Arcelor employs 96,000 associates in over 60 countries. The company places its commitment to sustainable development at the heart of its strategy and ambitions to be a benchmark for economic performance, labour relations and social responsibility.

This press release contains certain forward-looking statements regarding anticipated market evolution and the future prospects of Arcelor. While these statements are based on the Company's best estimations as of the date hereof, actual results will vary as a function of market conditions, the action of competitors, consumer demand, steel prices, economic conditions and other factors.

Arcelor prepares its consolidated financial information under International Financial Reporting Standards (« IFRS ») since 2002. Revised IFRS standards have been applicable as from 2005 as a part of the deadline fixed by the European Union to have all listed entities reporting under IFRS. Those changes have had no material impact on the Group 2005 consolidated financial position.

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THIRD QUARTER 2005 REPORT TO SHAREHOLDERS

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ECONOMIC ENVIRONMENT

World economic growth

Surging oil prices represent a major factor affecting the world economy in 2005. Nevertheless, they will have only a limited impact on growth, which will remain firm, underpinned by US activity and development in China. In Central and South America, growth is set to remain robust in 2005, with Brazil seeing an acceleration in the second half. Strong economic growth is also being seen in Asia ex-Japan, particularly in China and India. In Japan and the eurozone, however, growth remains weak. This is due to a slowdown in internal demand and the negative impact of high oil prices on exports. Nevertheless, the European Union's new member countries are continuing to enjoy good levels of activity.

The world steel industry

In the first nine months of the year, worldwide crude steel production was 6.3% higher than in the same period of 2004. Asia accounted for 52% of worldwide production, the European Union (EU25) 16% and North America 11%.

In the European Union (EU25), crude steel production fell by 4.2% in the first nine months of 2005. In Poland, the decline was 24%, while the Czech Republic's production dropped by 16%. In the EU15, the decline was limited to 2.6%. Production fell sharply in some countries, such as Luxembourg and France, but rose in others, like Austria, Italy and the Netherlands. Apparent consumption of finished products is likely to fall by 5.1% in full-year 2005. Spot steel prices stopped falling and have stabilised since September. They even increased slightly in some regions.

In the USA, some surplus inventories - resulting from the 15% increase in apparent consumption in 2004 - were run down in the third quarter. In the first nine months of the year, US crude steel production fell by 6.2%. Apparent consumption is likely to decline by around 5.5% in full-year 2005.

In China, crude steel production rose by 27.4% in the first nine months of 2005. During the same period, China imported 17.2 million tonnes of steel products and exported 13.14 million tonnes. China's apparent consumption is set to grow at the slower pace of around 10.3% in 2005, due to large inventories.

In Japan, crude steel production was stable year-on-year in the first nine months of 2005, showing a rise of 0.7%. Apparent consumption is likely to grow by 2.6% in the year as a whole.

Crude steel production in Russia was also stable in the first nine months (+0.7%), while in Ukraine it fell by 1.9%. In Central and Eastern Europe, apparent steel consumption is set to rise by 1.6% in 2005, with actual consumption up 6%.

In Turkey, crude steel production rose by 1.3% in the first nine months of the year. Apparent consumption of finished products is likely to show growth of 3.8% over the full year, while actual consumption is set to rise by around 7.0%.

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In Brazil, crude steel production fell by 4.1% in the first nine months of 2005.

Worldwide crude steel production (*)

In millions of tonnes	9 months		Change
	2004	2005	2005/2004 %
World (**)	770,210	818,946	+6.3
Western Europe (***)	166,163	160,026	-3.7
EU25	144,819	138,770	-4.2
EU15	125,730	122,502	-2.6
Central and Eastern Europe (****)	83,599	82,714	-1.1
Russia	48,050	48,408	+0.7
North and Central America	99,688	94,570	-5.1
USA	73,979	69,418	-6.2
South America	34,287	33,782	-1.5
Brazil	24,658	23,656	-4.1
Asia	357,883	417,094	+16.5
China	200,397	255,286	+27.4
Japan	83,966	84,560	+0.7
Other countries	28,590	30,758	+7.6

(*) IISI estimates, October 2005.

(**) World = 61 countries representing 98% of worldwide crude steel production.

(***) Western Europe = EU25 + other European countries (Croatia, Norway, Romania, Serbia and Montenegro, Turkey).

(****) Central and Eastern Europe = Belarus, Kazakhstan, Moldova, Russia, Ukraine, Uzbekistan.

Arcelor's main markets

Actual steel consumption in the EU15 was practically unchanged year-on-year in the first half of 2005, while apparent consumption fell significantly. This was due to substantial inventory reductions in almost all product categories during the second quarter. In 2005 as a whole, actual consumption of finished products should show continued growth of just under 1%. The decision by steel producers - and Arcelor in particular - to limit supply by intentionally cutting production enabled to come back to a normal situation in the fourth quarter of 2005. In long products, the recovery is already underway. In flat products, order backlogs have grown substantially.

Europe's mechanical engineering industry is still seeing firm growth, due to robust export activity. The domestic appliances industry is stable in the EU15. Growth resulting from rising ownership rates among consumers in developing countries is benefiting the European Union's new members, where Western European companies are relocating production. In the auto industry, vehicle production volumes are down on 2004. In construction, activity levels have increased overall, although trends vary widely between countries. Residential construction is growing at a rapid pace (except in Germany), due to low interest rates. The non-residential segment, however, is suffering from falling investment and under-utilisation of existing capacity. The metalworking industry is showing signs of weakness in most European countries. However, it is still growing in new EU member countries, which are continuing to see rapid expansion in industrial activity. Since early September, apparent demand in Europe has picked up, but remains below-average.

In the USA, customer inventories were high at the start of the third quarter. Demand remained weak, and prices had fallen significantly. However, the market has recovered since August, with rising demand and falling inventories. Higher scrap metal prices enabled local players to raise prices in September.

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In China, the market remains buoyant. Demand from most steel users remains firm. However, there is a risk of an increase in Chinese inventories, since local production is growing faster than actual demand. As a result, prices for commodity products are falling. Nevertheless, the market trend remains positive for value-added products.

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Table of Contents**BUSINESS COMMENTARY, THIRD QUARTER 2005**

Arcelor posts a remarkable EUR 1.1 billion EBITDA for the third quarter and EUR 4.5 billion for the first nine months of the year. This result was achieved in a context of adverse market conditions. The third quarter cumulated higher costs due to strong raw materials price increases, unfavourable market conditions due to excess inventories, weak demand and seasonal effects.

This performance clearly reflects the resilience of Arcelor. It is essentially due to its product mix, its expansion in Brazil and Argentina, growth areas which combine low cost basis and high end markets.

Flat carbon steel prices reached their low point of the year while shipments have started recovering with improved market conditions. Shipments and therefore production levels have continued to be adjusted to market needs and should increase only moderately during the last quarter except seasonality effects.

Furthermore, Arcelor is going to complete the creation and listing of Arcelor Brasil in November, combining flat carbon activities as well as long carbon steels. Finally, Arcelor has recently acquired control of Acesita, the sole South American stainless producer.

Consolidated results

Arcelor has prepared its consolidated financial information according to International Financial Reporting Standards (IFRS) since 2002. Revised IFRS standards are applicable as of 2005 in accordance with the deadline set by the European Union. The resulting changes had no impact on the Group's consolidated financial position in the third quarter of 2005, and are unlikely to have any significant impact on the Group's consolidated financial position in the fourth quarters.

Key figures

In millions of euros	Third quarter 2004	9 months 2004	Third quarter 2005	9 months 2005
Revenues	7,152	21,745	7,481	24,259
Gross operating result	1,098	2,877	1,122	4,505
Operating result	835	2,072	800	3,443
Net result, Group share	629	1,494	657	2,594
Earnings per share (in euros)	1.11	2.87	1.07*	4.23**

* Taking into account an average number of 639 774 327 of outstanding shares and excluding 25 561 531 treasury shares over the period.

** Taking into account an average number of 639 774 327 of outstanding shares and excluding 26 180 522 treasury shares over the period. **Consolidated revenues for the Group for the first nine months** of 2005 amounted to EUR 24,259 million compared to EUR 21,745 million for the same period last year (+6.7% on a comparable basis). **Net consolidated result**, Group share, was EUR 2,594 million for the first nine months of 2005, compared with EUR 1,494 million at 30 September 2004.

At EUR 7,481 million for the third quarter of 2005 compared to EUR 7,152 million for the same period last year, **consolidated revenues** increased by 4.6% (0.9% on a comparable basis). Despite a severe drop in shipped volumes, this evolution confirms the good resilience of average selling prices. Consolidated **gross operating result** for the third quarter amounted to EUR 1,122 million compared to EUR 1,098 million for the third quarter 2004, or a 15.0% margin against a 15.4% margin for the same period of 2004 showing good control of inventories and progression on management gains despite the strong slowdown in production. Gross operating results incorporate several non-recurring items (capital gains of EUR 96 million due to the disposal of the Spanish facilities).

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Consolidated **gross operating result for the nine months** up to 30 September amounted to EUR 4,505 million or 18.6% margin compared to EUR 2,877 million or 13.2% for the same period of last year.

Quarterly consolidated operating result was EUR 800 million for the third quarter of 2005 versus EUR 835 million for the equivalent period last year, which corresponds to a 10.7% margin versus 11.7% respectively.

Consolidated operating result for the nine months up to 30 September amounted to EUR 3,443 million or 14.2% margin compared to EUR 2,072 million or 9.5% for the same period of last year.

After a financial result of EUR -62 million, a contribution from associates of EUR 90 million and income tax of EUR 87 million, consolidated quarterly net result, Group share was EUR 657 million compared to EUR 629 million for the same period last year.

Net financial debt

In millions of euros	31 December 2004	30 June 2005	30 September 2005
Shareholders equity*	12,317	14,785	15,532
Net financial debt	2,512	1,813	1,428
Net financial debt / Shareholders equity*	0.20	0.12	0.09

* Including minority interests.

At EUR 1,428 million, **net financial debt** decreased by EUR 1,084 million at 30 September 2005 compared to EUR 2,512 million at 31 December 2004 and by EUR 385 million compared to 30 June 2005. The net debt-to-equity ratio (including minority interests) decreased to 0.09 from 0.12 at 30 June, and 0.20 at 31 December 2004.

Cash-flow from operations amounted to EUR 2,911 million for the first nine months of the year to be compared with EUR 2,004 million for the first six months of 2005 and EUR 3,205 million for the full year 2004. This favourable evolution is explained by margin improvements and control of working capital requirements, mainly through management of inventory levels despite raw materials cost increases.

Capital expenditures at EUR 1,249 million (intangible, tangible) for the first nine months include the expansion of CST in Brazil.

Analysis by business sector*Flat Carbon Steels*

In millions of euros	Third quarter			Third quarter	
	2004 (12 months)	2004 (3 months)	9 months 2004	2005 (3 months)	9 months 2005
Revenues	16,139	3,769	11,459	3,875	13,540
Gross operating profit	2,299	507	1,391	644	3,025
Operating profit	1,666	348	940	428	2,392
Crude steel production (in millions of tonnes)	31.9	7.5	22.9	7.7	24.8
Shipments (in millions of tonnes)	28.4	6.0	20.2	6.0	21.2

Crude steel production in the Flat Carbon Steel sector totalled 7.7 million tonnes in the third quarter of 2005. In Europe, production fell by comparison with the year-earlier period. This was because the Group decided to reduce production given the decline in apparent steel consumption and inventory rundowns by customers, and the closure of one blast furnace in Liège (Belgium).

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Shipments in the Flat Carbon Steel sector amounted to 6 million tonnes. Excluding Brazil, shipments fell year-on-year in the third quarter of 2005, with shipments to the manufacturing sector falling particularly sharply.

Flat Carbon Steel **revenues** came in at 3,875 million euros in the third quarter of 2005, up from 3,769 million euros in the third quarter of 2004. In the first nine months of 2005, revenues rose by 6% at constant scope. This was due to higher average selling prices, which more than offset the significant fall in volumes sold to manufacturing customers and, to a lesser extent, automotive customers in Europe.

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At EUR 644 million, compared to EUR 507 million for the third quarter 2004, **gross operating result**, generating a margin of 16.6% compared to a 2004 margin of 13.5% shows a structural improvement despite a shipments decrease by 1.7 million tons compared to second quarter. This decrease was due to annual seasonal effects and to necessary adjustments to demand in an environment of sharp rise of raw materials costs and the impact of the Brazilian Real evolution against the dollar. Despite a noticeable contraction in general industry selling prices during the third quarter, average selling prices remain higher than last year except for Brazil where slab prices decreased substantially.

Gross operating result for the nine months up to 30 September 2005 amounted to EUR 3,025 million compared with EUR 1,391 million for the same period of last year or a 22.3% margin compared to 12.1% respectively.

Quarterly operating result was EUR 428 million for the third quarter of 2005 versus EUR 348 million for the equivalent period last year, which corresponds to a 11.0% margin versus 9.2% respectively.

Operating result for the nine months amounted to EUR 2,392 million, a 17.7% margin compared to EUR 940 million for the same period of 2004, 8.2% margin.

Sales to the manufacturing sector suffered from the widespread gloom in the European economy. The Group's decision to reduce supply by cutting production meant that the fall in volumes was offset by higher average prices.

Business levels in the European automotive sector also stagnated. However, commercial incentives introduced by carmakers in the third quarter meant that a decline was avoided. Overall, Arcelor kept its sales volumes stable relative to 2004. In Turkey, growth in the auto industry is boosting sales of all Arcelor automotive products. Arcelor is the leading supplier to the South American auto industry, and is benefiting from this market's excellent performance. Shipments from its Vega do Sul plant in Brazil increased in the third quarter.

In the packaging sector, higher selling prices were not sufficient to cover the increase in raw materials and transportation costs. This resulted in a slight fall in gross operating profit relative to 2004.

Expansion of CST (50% or 2.5 million tons of flat carbon steel) is on time with a higher cost due to the Brazilian Real evolution against the US Dollar.

A new hot dip galvanizing line has recently been commissioned at Mardyck (France) comforting the positive product mix evolution of the flat carbon activity.

Long Carbon Steels

	Third quarter		Third quarter		
	2004	2004	9 months	2005	9 months
In millions of euros	(12 months)	(3 months)	2004	(3 months)	2005
Revenues	6,221	1,644	4,571	1,758	4,944
Gross operating profit	1,287	409	947	380	1,036
Operating profit	1,078	379	819	313	831
Crude steel production (in millions of tonnes)	12.6	3.1	9.4	2.6	8.5
Shipments (in millions of tonnes)	13.4	3.3	10.1	3.0	9.1

Crude steel production in the Long Carbon Steel sector totalled 2.6 million tonnes in the third quarter of 2005. It amounted to 1,426 thousand tons in Europe compared to 1,859 thousand tons for the third quarter 2004 while production in Latin America was 1,162 thousand tons during the third quarter compared to 1,219 thousand tons for the same period last year.

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Shipment for the third quarter were 1,798 thousand tons in Europe (which exclude divestments in Spain) and 1,178 thousand tons in Americas compared to 2,126 thousand tons and 1,149 thousand tons respectively for the same period last year. Shipments have strongly recovered in September in Europe.

Revenues for the Long Carbon Steel activity reached EUR 1,758 million, compared with EUR 1,644 million for the third quarter of 2004, increasing 11.3% (on a comparable basis) reflecting a recovery compared to the first and second quarter.

Gross Operating result was EUR 380 million compared to EUR 409 million for the third quarter last year. All European activities except wire drawing have experienced improved volumes effect while activity in Americas was hit by lower overall exports pricing, the South American margins remaining stable at high levels on the domestic markets.

Gross operating result for the nine months up to 30 September 2005 amounted to EUR 1,036 million compared with EUR 947 million for the same period of last year.

Quarterly operating result was EUR 313 million for the third quarter of 2005 versus EUR 379 million for the equivalent period last year, which corresponds to a 17.8% margin versus 23.1% respectively.

Operating result for the nine months reached EUR 831 million or a margin of 16.8% compared to EUR 819 million, or a margin of 17.9% for the same period last year.

Sales of sections fell in Northern Europe after a very strong summer due to a substantial increase in scrap metal prices. There was no recovery in actual consumption, and so orders declined. Arcelor successfully increased prices in line with the rise in raw materials costs. In Spain, sales were robust, and benefited from the prospect of higher scrap metal prices. In Portugal, sales remained strong after a difficult period. Business levels in Eastern Europe and export markets also remained firm.

Concrete reinforcing bar prices stabilised at a high level. However, demand weakened due to speculation on future scrap metal prices. The exceptions were Poland and Spain, where both business levels and prices stayed strong. Merchant steel activity was normal, and prices were reasonable.

Sales of beams recovered in Europe, and remained decent in export markets, despite ongoing pressure on prices.

Pursuing an active portfolio management and to take advantage of future growth prospects the long carbon activity divested three processing mills in Spain (Azpeita, Lasao and Getafe) and acquired Huta Warszawa in Poland to produce approximately 700 thousand tons of long construction products.

Stainless Steels and Alloys

	Third quarter		Third quarter		
	2004	2004	9 months	2005	9 months
In millions of euros	(12 months)	(3 months)	2004	(3 months)	2005
Revenues	4,577	1,017	3,418	854	2,829
Gross operating profit	258	51	160	14	165
Operating profit	117	8	50	-9	50
Crude steel production (in millions of tonnes)	2.45	0.48	1.88	0.33	1.16
Shipments (in millions of tonnes)	2.1	0.45	1.65	0.27	1.05

Crude steel production in the Stainless Steels and Alloys sector totalled 328,000 tonnes in the third quarter of 2005, compared to 483 thousand tons for the third quarter 2004 thus translating the transfer of the specialty plate activity to the sector others (116 thousand tons produced by Industeel for the third quarter in 2004).

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Shipments were 274 thousand tons for the third quarter, compared to 450 thousand tons for the same period last year which included 96 thousand tons shipped by Industeel.

Revenues in the first nine months of 2005 were 2,819 million euros, down 17% from 3,418 million euros in the year-earlier period. At constant scope, however, revenues were similar to those for the first nine months of 2004 (2,812 million euros). Given the 14% fall in volumes at constant scope, this performance was mainly due to a sharp increase in alloy surcharges, which offset the fall in base prices.

Gross operating profit totalled 165 million euros in the first nine months of 2005, up from 160 million euros (139 million at constant scope) in the year-earlier period. This increase came despite the squeeze caused by falling prices and volumes. It was driven by the non-recurrence of various negative factors that occurred in 2004 following restructuring in the Stainless Steels and Alloys sector, but was primarily the result of significant efficiency gains.

Gross operating profit came in at 14 million euros in the third quarter. This was down sharply on the 57 million figure seen in the second quarter, due to very weak demand and a sharp deterioration in base prices.

After rising to an average of 16,000 dollars per tonne in the first half, nickel prices fell to an average of 14,600 dollars in the third quarter. This was driven by reduced demand from stainless steel producers, along with good availability of the metal. Nickel prices continued to fall at the start of the fourth quarter. After rising in the second quarter, chromium prices also declined in the third quarter and at the start of the fourth.

In flat products, third-quarter business levels remained firm despite the operating environment being much less positive than in the first half.

In Europe, the fall in demand seen in the first half intensified in the third quarter. Base prices - particularly for austenitic products - fell sharply as a result of this weak demand, as well as the high level of inventories, new production capacity, contracting export markets and higher alloy surcharges. Production was stopped several times in response to weak demand and the need to keep a firm grip on expenses and inventories. At the start of the fourth quarter, short-term demand started to recover and, together with a fall in alloy surcharges, this could lead later to a gradual improvement in base prices.

In Brazil, prices and volumes remain under pressure due to the decline in international markets, the adverse macroeconomic environment (higher interest rates, the rally in the Brazilian real against the US dollar), high inventories and growing imports.

Although Asian markets remained strong in the first quarter, they deteriorated rapidly in the second and third. In China, prices continued to fall due to rising supply, caused by production capacity growing faster than demand.

In the USA, prices also remained under pressure, due to higher imports among other factors. However, prices remain higher in the USA than in Europe and Asia.

In **long products**, demand fell in the third quarter, although pressure on prices remained slightly less severe than in flat products. As a result, earnings held up better in this segment.

One of the third quarter's highlights was the start of production at the new Ugine & Alz Carinox steelworks, which took place on schedule on 28 September 2005. The plant is now in its qualification phase and is building up to full production. It has the capacity to produce 1 million tonnes of stainless steel per year, and gives Ugine & Alz an integrated site combining steel production and hot-rolling operations.

On 6 and 26 October, Arcelor reached a final agreement with three Brazilian pension funds allowing Arcelor to acquire ordinary shares in Brazilian stainless steel producer Acesita SA representing around 37% of its voting capital. As a result, Arcelor will become the controlling shareholder of Acesita, holding 75.74% of the common (voting) shares of Acesita and 39.98 percent of the total capital of that company.

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Acesita is one of the world's most productive and profitable stainless steel producers, and its domestic market is generating sustained growth. This deal reflects Arcelor's long-standing commitment to Brazil, and gives it a high-quality and low-cost steel production platform.

Arcelor Steel Solutions and Services (A3S)

In millions of euros	Third quarter 2004		Third quarter 2005		9 months 2005
	2004 (12 months)	(3 months)	9 months 2004	(3 months)	
Revenues	8,267	1,905	5,902	2,042	6,445
Gross operating profit	513	128	375	54	230
Operating profit	395	106	294	52	158
Volumes sold (in millions of tonnes)	14.9	3.6	11.1	3.3	10.2
From Arcelor (in millions of tonnes)	11.4	2.5	7.9	2.4	7.5
From outside Arcelor (in millions of tonnes)	4.5	1.0	3.2	0.9	2.6

A3S generated revenues of 2,042 million euros in the third quarter of 2005, up from 1,905 million euros in the year-earlier period. In the first nine months of 2005, revenues totalled 6,445 million euros, an increase of 9.2% with respect to the 5,902 million euros achieved in the first nine months of 2004. At constant scope, revenues grew by 9.6%. This was despite a 7% fall in volumes sold, and resulted directly from the sharp increase in steel prices that started in the second quarter of 2004.

Overall, and at constant scope, lower volumes dragged down **revenues** in the first nine months of 2005 by 369 million euros year-on-year. However, higher prices boosted revenues by 1,074 million euros.

Gross operating profit in the first nine months came in at 230 million euros, down from 375 million in the year-earlier period.

Quarterly operating result was EUR 52 million for the third quarter of 2005 versus EUR 106 million for the equivalent period last year, which corresponds to a 2.5% margin versus 5.6% respectively.

Operating result for the nine months reached EUR 158 million or a margin of 2.5% compared to EUR 294 million, or a margin of 5.0% for the same period last year.

All A3S business segments saw a fall in volumes sold.

Arcelor Distribution's volumes declined by 4% at constant scope with respect to the first nine months of 2004, although average selling prices per tonne rose by 5%. As a result, revenues were near-flat at constant scope.

Arcelor Construction's revenues fell slightly at constant scope. Volumes sold were down 15% year-on-year, due to tough economic and weather conditions in early 2005. Average selling prices per tonne were substantially higher than in the year-earlier period.

Volumes at **Arcelor Steel Service Centres** fell significantly at constant scope. However, revenues rose by 9%, due to selling prices almost 22% higher than during the first nine months of 2004.

Arcelor Projects saw a slight decline in shipments, but also benefited from a sharp 27% rise in selling prices. As a result, its revenues jumped by almost 25%.

Finally, **Arcelor International** posted revenue growth of 32% at constant scope, despite a 1% fall in volumes. Average selling prices per tonne increased by 33% in the first nine months of 2005.

Inventory reductions continued in the third quarter, although economic activity remained weak, particularly in Western Europe.

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OUTLOOK

During the first nine months of 2005 world production of steel has increased by 6.3% compared to the same period last year outgrowing a real consumption estimated between 3.5% and 5%. This led to a significant growth of inventories during the first half of 2005 after a sustained market over supply at the end of 2004.

For the first time in a long period, players around the world, excepting Asia, have adjusted their shipments and subsequently their production in an effort to adjust closely to the needs of the markets. This clearly leads to a healthier situation with a sharp drop of inventories in North America and in Europe and a stabilisation of spot selling prices.

In this environment, order books for flat carbon products are improving and inventories are at normal levels whereas good improvements are already observed for long carbon products where inventories are low. With imports remaining stable, apparent consumption should rebound to align with real consumption.

With the growth of Arcelor in Brazil and Argentina where the Group is now the number one Latin American player and with the significant progress achieved by most of its European operations, Arcelor confirms that 2005 results will show a very strong performance and an ability to adapt to the cycles. The group will pursue its active and disciplined approach to external growth opportunities across the world, evaluating specific projects.

This report contains certain forward-looking statements regarding anticipated market movements and the future prospects of Arcelor. While these statements are based on the Company's best estimates as of the date of publication, actual results will vary depending on market conditions, actions taken by competitors, consumer demand, steel prices, economic conditions and other factors.

Table of Contents**financial statements****CONSOLIDATED BALANCE SHEET****Assets**

In million of euros	31 december 2004 1	30 september 2005 2	Variation 1 / 2
Non current Assets	15,249	16,220	+971
- Intangible assets	157	149	-8
- Property plant & equipment	11,230	12,170	+940
- Investments under equity method	1,366	1,570	+204
- Other investments	528	503	-25
- Receivables & other financial assets	684	803	+119
- Deferred tax assets	1,284	1,025	-259
Current Assets	15,973	17,016	+1,043
- Inventories	6,801	7,479	+678
- Trade receivables	3,757	3,611	-146
- Other receivables	1,372	1,704	+332
- Cash & Cash equivalents	4,043	4,222	+179
TOTAL ASSETS	31,222	33,236	+2,014

Equity and liabilities

In million of euros	31 december 2004 1	30 september 2005 2	Variation 1 / 2
Shareholders equity	10,902	13,635	+2,733
Minority interests	1,415	1,897	+482
Non current liabilities	8,518	8,609	+91
- Interest bearing liabilities	4,348	4,282	-66
- Employee benefits	1,652	1,698	+46
- Provisions for contract termination benefits	887	843	-44
- Other provisions	920	1,045	+125
- Deferred tax provisions	629	564	-65
- Others liabilities	82	177	+95
Current liabilities	10,387	9,095	-1,292
- Trade payables	4,997	4,594	-403
- Interest bearing liabilities	2,293	1,455	-838
- Other amounts payables	2,848	2,802	-46
- Provisions for contract termination benefits	50	36	-14
- Other provisions	199	208	+9
TOTAL SHAREHOLDERS EQUITY, MINORITY INTERESTS AND LIABILITIES	31,222	33,236	+2,014

Table of Contents**CONDENSED CONSOLIDATED INCOME STATEMENT**

	30 september 2004	30 september 2005
In million of euros	(9 months) 1	(9 months) 2
REVENUE	21,745	24,259
Gross operating income (EBITDA)	2,877	4,505
Amortisation and depreciation	-846	-1,062
Amortisation of goodwill	41	0
Operating result (EBIT)	2,072	3,443
Net financing costs	-171	-141
Share in the results of equity accounted companies	346	255
Profit (LOSS) before tax	2,247	3,557
Income tax	-506	-606
Profit (LOSS) after tax	1,741	2,951
Minority Interests	-247	-357
NET PROFIT (LOSS) group share	1,494	2,594

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Table of Contents**CONDENSED CONSOLIDATED INCOME STATEMENT (QUARTERLY EVOLUTION)**

In million of euros	Total						
	Half-Year		3rd Q.	Total 30 sept	4th Q.	Total Year	
	1st Q. 2004	2nd Q. 2004					2004
REVENUE	6,899	7,694	14,593	7,152	21,745	8,431	30,176
Gross operating income (EBITDA)	696	1,083	1,779	1,098	2,877	1,464	4,341
Amortisation and depreciation	-287	-255	-542	-304	-846	-379	-1,225
Amortisation of goodwill	0	0	0	41	41	37	78
Operating result (EBIT)	409	828	1,237	835	2,072	1,122	3,194
Net financing costs	-92	-42	-134	-37	-171	-196	-367
Share in the results of equity accounted companies	78	110	188	158	346	67	413
Profit (LOSS) before tax	395	896	1,291	956	2,247	993	3,240
Income tax	-110	-195	-305	-201	-506	-17	-523
Profit (LOSS) after tax	285	701	986	755	1,741	976	2,717
Minority Interests	-51	-70	-121	-126	-247	-156	-403
NET PROFIT (LOSS) group share	234	631	865	629	1,494	820	2,314

In million of euros	1st Q.	2nd Q.	Total	3rd	Total
	2005	2005	Half-Year 2005	Q. 2005	30 sept 2005
REVENUE	8,136	8,642	16,778	7,481	24,259
Gross operating income (EBITDA)	1,697	1,686	3,383	1,122	4,505
Amortisation and depreciation	-309	-431	-740	-322	-1,062
Amortisation of goodwill	0	0	0	0	0
Operating result (EBIT)	1,388	1,255	2,643	800	3,443
Net financing costs	-46	-33	-79	-62	-141
Share in the results of equity accounted companies	71	94	165	90	255
Profit (LOSS) before tax	1,413	1,316	2,729	828	3,557
Income tax	-374	-145	-519	-87	-606
Profit (LOSS) after tax	1,039	1,171	2,210	741	2,951
Minority Interests	-105	-168	-273	-84	-357
NET PROFIT (LOSS) group share	934	1,003	1,937	657	2,594

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	Subscribed	Share	Own	Other	Foreign	Shareholders	Minority	Total
In million of euros	capital	premium	shares	consolidated	currency	equity	interests	
31.12.2004	3,199	5,397	-364	3,073	-403	10,902	1,415	12,317
Increase of capital								
Profit for the period				2,594		2,594	357	2,951
Foreign exchange differences					479	479	248	727
Dividends paid				-399		-399	-108	-507
Utilisation and results own shares disposal			26			26		26
Other movements and acquisitions of minority interests				32		32	-15	17
30.09.2005	3,199	5,397	-338	5,300	76	13,634	1,897	15,531
Variation 9 months			26	2,227	479	2,732	482	3,214

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

In million of euros	30 september 2004 (9 months)	30 september 2005 (9 months)
CASH FLOWS FROM OPERATING ACTIVITIES	1,847	2,911
Investing activities		
Acquisitions of tangible and intangible assets	-821	-1,249
Others	209	92
CASH FLOWS FROM INVESTING ACTIVITIES	-612	-1,157
Financing activities		
Proceeds from the issue of share capital	-53	12
Capital increase Arcelor	1,136	
Dividends paid	-249	-507
Net servicing of borrowing	-397	-1,214
Acquisition of 4.56% minority shares in Aceralia	-92	
CASH FLOWS FROM FINANCING ACTIVITIES	345	-1,709
Effect of exchange rate fluctuations on cash held	17	134
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,597	179
Cash and cash equivalents at the beginning of the period	1,890	4,043
Cash and cash equivalents at the end of the period	3,487	4,222

Table of Contents**NET FINANCIAL DEBT**

In million of euros	31 December 2004	30 June 2005	30 September 2005
Shareholders' equity (Group share)	10,902	13,000	13,635
Minority interests	1,415	1,785	1,897
Total Shareholders' equity	12,317	14,785	15,532
Net negative goodwill	0	0	0
Shareholders funds	12,317	14,785	15,532
Net financial debt	2,512	1,813	1,428
Net financial debt/equity	20.4%	12.3%	9.2%

KEY FINANCIAL DATA FOR THE GROUP

In million of euros	Year 2004 (12 months)	30 september 2004 (9 months)	30 september 2005 (9 months)
Revenue	30,176	21,745	24,259
Change			11.6%
Change at comparable structure			6.7%
Gross operating result (EBITDA)	4,341	2,877	4,505
% of revenues	14.4%	13.2%	18.6%
Operating result (EBIT)	3,194	2,072	3,443
% of revenues	10.6%	9.5%	14.2%
Net profit (Loss) (Group share)	2,314	1,494	2,594
Tangible investments	1,353	766	1,228
Earnings per share in EUR			
- basic	4.26	2.87*	4.23**
- diluted	3.83	2.59	n.i.

* Taking into account an average number of 608,9 millions of outstanding shares and excluding 29 millions treasury shares over the period.

** Taking into account an average number of 639,8 millions of outstanding shares and excluding 26,2 millions treasury shares over the period.

Table of Contents**BREAKDOWN BY ACTIVITY****Flat carbon steels**

	Year 2004	3rd Quarter 2004	30 september 2005
In million of euros	(12 months)	(9 months)	(9 months)
Revenue	16,139	11,459	13,540
Change			18.2%
Change at comparable structure			6.0%
Gross operating result (EBITDA)	2,299	1,391	3,025
% of revenues	14.2%	12.1%	22.3%
Operating result (EBIT)	1,666	940	2,392
% of revenues	10.3%	8.2%	17.7%
Tangible investments	723	352	831
Scope variation: Inclusion of CST.			

Long carbon steels

	Year 2004	3rd Quarter 2004	30 september 2005
In million of euros	(12 months)	(9 months)	(9 months)
Revenue	6,221	4,571	4,944
Change			8.2%
Change at comparable structure			11.3%
Gross operating result (EBITDA)	1,287	947	1,036
% of revenues	20.7%	20.7%	21.0%
Operating result (EBIT)	1,078	819	831
% of revenues	17.3%	17.9%	16.8%
Tangible investments	376	253	209
Scope variation : Inclusion of Acindar, Huta L.W.Sp.z.o.o. Exclusion of ADA, Emesa, Galycas, Azpeitia, Getafe, Lasao.			

Stainless steels and alloys

	Year 2004	3rd Quarter 2004
In million of euros	(12 months)	(9 months)